

**DINO POLSKA S.A. SUPERVISORY BOARD'S
ANNUAL ACTIVITY REPORT
FOR THE 2019 FINANCIAL YEAR**

Introduction

The Supervisory Board of Dino Polska S.A., acting pursuant to art. 382 § 1 of the Commercial Company Code, the Company's Articles of Association, the Supervisory Board Bylaws and provisions of the Best Practices of WSE Listed Companies 2016 hereby submits the Supervisory Board Activity Report for 2019 to the Ordinary Shareholder Meeting.

Composition of the Supervisory Board

According to the Articles of Association, the Supervisory Board consists of 5 to 8 members. In the 2019 financial year the Supervisory Board of Dino Polska S.A. with its registered office in Krotoszyn was composed of the following persons:

Tomasz Biernacki 2019	Supervisory Board Chairman	1 January 2019 – 31 December
Maciej Polanowski 2019	Supervisory Board Member	1 January 2019 – 31 December
Eryk Bajer 2019	Supervisory Board Member	1 January 2019 – 31 December
Piotr Nowjalis 2019	Supervisory Board Member	1 January 2019 – 31 December
Sławomir Jakszuk 2019	Supervisory Board Member	1 January 2019 – 31 December

Information on satisfaction of criteria for independence by Supervisory Board members

According to the principles of Best Practices of WSE Listed Companies 2016, at least two Supervisory Board members are independent. The Company satisfies this condition. Two Supervisory Board members: Piotr Nowjalis and Sławomir Jakszuk, who were elected simultaneously to the Audit Committee satisfy the criteria for independence in accordance with the provisions of the Act on Statutory Auditors of 11 May 2017 (Journal of Laws of 2017, item 1089).

Information on important issues addressed by the Supervisory Board, the number of meetings held and the resolutions adopted in 2019

The Supervisory Board of Dino Polska S.A. as a standing supervisory body discharged its functions at the Supervisory Board meetings convened for this purpose. In the 2019 financial year the Supervisory Board held three meetings on the following dates: 12 April, 30 August and 29 November. Supervisory Board meetings were convened through written notifications sent to all the Supervisory Board members containing the proposed agenda of the meeting. In matters that required an immediate decision, the Supervisory Board adopted resolutions using the "written procedure" (by circulation). Resolutions adopted by circulation were most frequently used to approve the purchase of property for a net price exceeding PLN 1 million.

The agenda of the respective meetings of the Supervisory Board resulted from arrangements made by the members of the Company's Supervisory Board and Management Board. The arrangements with the Company's Management Board included also the issues related to the preparation of the necessary materials, analyses and explanations concerning the issues discussed at the meetings.

In the reporting period in question, the Supervisory Board adopted resolutions on the following dates:

Date	Adoption procedure:
2019.01.07	By circulation
2019.01.09	By circulation
2019.01.14	By circulation
2019.01.24	By circulation
2019.02.06	By circulation
2019.02.07	By circulation
2019.03.07	By circulation
2019.03.26	By circulation
2019.04.12	Meeting
2019.04.23	By circulation
2019.04.26	By circulation
2019.05.09	By circulation
2019.05.14	By circulation
2019.05.24	By circulation
2019.05.29	By circulation
2019.06.04	By circulation
2019.06.10	By circulation

Date	Adoption procedure:
2019.06.14	By circulation
2019.06.25	By circulation
2019.07.17	By circulation
2019.08.26	By circulation
2019.08.30	Meeting
2019.09.03	By circulation
2019.09.04	By circulation
2019.09.10	By circulation
2019.10.02	By circulation
2019.10.03	By circulation
2019.10.04	By circulation
2019.10.07	By circulation
2019.10.08	By circulation
2019.10.10	By circulation
2019.10.11	By circulation
2019.10.18	By circulation
2019.11.14	By circulation
2019.11.22	By circulation
2019.11.29	Meeting
2019.12.02	By circulation
2019.12.05	By circulation
2019.12.18	By circulation
2019.12.19	By circulation
2019.12.23	By circulation

The financial performance in the various months of 2019 constituted a standing topic at the Supervisory Board meetings. Moreover, the Supervisory Board adopted resolutions on the following matters:

- consenting to enter into various loan agreements or increase the principal of an existing loan,
- appointing new management board members,
- approving the budget for 2019 and 2020,
- amending the framework agreement with Krat Invest KR Inżynieria Sp. z o.o. S.K.A.,
- consenting to launch a bond issue,
- consenting to subscribe for shares in raised share capital.

In total, the Supervisory Board adopted 62 resolutions in 2019.

Audit Committee

In 2019 the Audit Committee of Dino Polska S.A. operated without change in the following composition:

- Piotr Nowjalis,
- Sławomir Jakszuk,
- Maciej Polanowski.

Piotr Nowjalis acted in the capacity of the Audit Committee Chairman without change throughout 2019.

The Audit Committee held six meetings in 2019, of which three were held in the Company's seat and three in the form of conference calls with the use of remote means of communication.

The first Audit Committee meeting in 2019 took place on 12 March 2019 in the Company's seat. The Audit Committee met with the audit firm auditing the Company's financial statements during the meeting. The auditor advised of the audit scope and strategy, it delivered a comprehensive presentation concerning the identification of significant risk while pointing out that the most attention was devoted to the following areas during the audit: (1) settlements of revenue in contracts with suppliers, (2) uncertainty related to the tax treatment of transactions with related parties. The audit firm representatives confirmed that the revenue under contracts with suppliers had been duly recognized in the accounting ledgers and financial statements in all material aspects. The Audit Committee was also advised that the statutory auditors had not identified any instances of fraud or illegal acts involving the Company's senior management.

The merger with a subsidiary and its fiscal implications and the presentation of the revenue and expenses of some types of transactions were also discussed. The attention of the Audit Committee members was drawn to the issue of a possible asset impairment, the presentation of factoring liabilities and issues related to the implementation of IFRS 16.

The next item on the agenda was a discussion of the internal auditor's work plan.

The second Audit Committee meeting was held on 12 April 2019. The Audit Committee adopted its work plan for 2019 including a schedule concerning, among other things, matters related to auditing the financial statements, systems to assess internal control / internal audit and compliance and recommendations to the Supervisory Board.

At its meeting on 12 April 2019 the Audit Committee also adopted a resolution to give a recommendation to the Supervisory Board to approve the standalone financial statements and the consolidated financial statements of the Dino Polska S.A. Group for the financial year ending 31 December 2018. The next item in the agenda was to meet with the internal auditor and discuss the Company's internal control system. The scope of the internal auditor's work in 2019 was also discussed. The final item in the meeting's agenda on 12 April was to adopt a resolution on the Audit Committee's activity report in 2018.

The Audit Committee's third meeting was held on 9 August 2019 during which a meeting was held with representatives of the Ernst & Young audit firm. The review of the standalone and consolidated financial statements of Dino Polska S.A. for the period ending 30 June 2019 was summarized during the meeting. The sales and financial results of the first six months of 2019 were also discussed in detail. The representatives of the audit firm also presented the key audit issues and the levels of materiality in the financial statements. The statutory auditor's draft report and the audit firm's view concerning future key challenges were also presented. All the members of the Audit Committee took part in the meeting.

During the Audit Committee's fourth meeting, i.e. on 4 September 2019, the internal auditor presented the actions taken during the first eight months of 2019 to the Audit Committee. The internal auditor's action plan during the period from September to December 2019 was also discussed. This meeting was held using remote means of communication (conference call). In addition, Mr. Michał Krauze – Management Board Member presented information concerning the resignation of the auditor to date and he provided information concerning the reasons for that decision.

The Audit Committee's fifth meeting was held on 9 December 2019, also in the form of a conference call. The main item on the meeting agenda was the presentation of the representatives of the Ernst & Young audit firm concerning preparations to audit the financial statements. During this conference call the Key Audit Matters were presented in respect of the upcoming audit of the financial statements. The audit strategy was presented, as was its schedule. The audit team was also introduced. The level of materiality in the audit was also presented. It is PLN 26 million and PLN 18 million for the consolidated and standalone financial statements, respectively. In the opinion of the audit firm's representatives, the most important risks of distorting the financial statements were deemed to be settlements of revenue in contracts with suppliers, the uncertainty related to the tax treatment of transactions between related parties, the risk of abuse of control by the Management Board and the management, the purchase of land and fixed assets on non-arm's length conditions and the purchase of merchandise on non-arm's length conditions. In the presentation of the Key Audit Matters, the auditors confirmed that they would focus their attention, among others, on settlements of revenue in contracts with suppliers and on transactions with related parties. All the members of the Audit Committee took part in the conference call held on 9 December 2019.

The sixth and last Audit Committee meeting was held on 18 December; it was devoted entirely to the issue of the internal auditor. The meeting was held using remote means of communication. Since the company's internal auditor had given notice, Mr. Michał Krauze, CFO and Management Board Member, presented the status of the work

involved with the search for a person to fill this position to the Audit Committee members. Mr. Michał Krauze described the recruiting process and undertook to forward the CVs of the current candidates.

On 6 December 2019 the Audit Committee adopted a resolution by circulation on amending the Audit Committee's Bylaws.

Supervisory Board's evaluation of its work

The Supervisory Board performed its work within the framework of the applicable law and the Company's internal normative acts.

The evaluation consists of a positive assessment of the organization and activity of the Supervisory Board as a collective body. Members of the Supervisory Board as a collective body ensure the diversity of knowledge, judgement and experience necessary to complete its tasks properly and achieve its goals. The Supervisory Board members have done their utmost to ensure the proper performance of their duties relating to the continuous supervision over the Company's activity in all areas of its operation. On the basis of its evaluation, the Supervisory Board asserts that it has fulfilled its duties laid down by the Articles of Association and the Code. Accordingly, the Supervisory Board moves to grant a discharge to its members on the performance of their duties in the 2019 financial year.

Supervisory Board of DINO POLSKA S.A.

Tomasz Biernacki _____

Eryk Bajer _____

Maciej Polanowski _____

Piotr Nowjalis _____

Sławomir Jakszuk _____