

**DINO POLSKA S.A. SUPERVISORY BOARD'S  
ANNUAL ACTIVITY REPORT**

**FOR THE 2018 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 2018 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 2018 financial year the Supervisory Board of Dino Polska S.A. with its registered office in Krotoszyn was composed of the following persons:

Tomasz Biernacki	Supervisory Board Chairman	1 January 2018 – 31 December 2018
Maciej Polanowski	Supervisory Board Member	1 January 2018 – 31 December 2018
Eryk Bajer	Supervisory Board Member	1 January 2018 – 31 December 2018
Pierre Detry	Supervisory Board Member	1 January 2018 – 21 May 2018
(expiration of his mandate)		
Piotr Nowjalis	Supervisory Board Member	1 January 2018 – 31 December 2018
Sławomir Jakszuk	Supervisory Board Member	1 January 2018 – 31 December 2018

**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 2018**

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 2018 financial year the Supervisory Board held three meetings on the following dates: 6 April, 5 October and 23 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:

<b>Date</b>	<b>Adoption procedure:</b>
2018.01.19	By circulation
2018.02.15	By circulation
2018.03.09	By circulation
2018.03.15	By circulation
2018.04.05	By circulation
2018.04.06	Meeting
2018.05.07	By circulation
2018.05.14	By circulation
2018.06.04	By circulation
2018.06.14	By circulation
2018.06.21	By circulation
2018.06.27	By circulation
2018.07.05	By circulation
2018.07.06	By circulation
2018.07.13	By circulation

<b>Date</b>	<b>Adoption procedure:</b>
2018.07.16	By circulation
2018.07.17	By circulation
2018.07.18	By circulation
2018.07.20	By circulation
2018.08.20	By circulation
2018.08.31	By circulation
2018.09.03	By circulation
2018.09.07	By circulation
2018.09.11	By circulation
2018.09.14	By circulation
2018.09.17	By circulation
2018.09.18	By circulation
2018.09.26	By circulation
2018.10.02	By circulation
2018.10.04	By circulation
2018.10.05	Meeting
2018.10.19	By circulation
2018.10.22	By circulation
2018.10.25	By circulation
2018.10.31	By circulation
2018.11.16	By circulation
2018.11.23	Meeting
2018.12.04	By circulation
2018.12.07	By circulation
2018.12.12	By circulation

The financial performance in the various months of 2018 constituted a standing topic at the Supervisory Board meetings. Moreover, the Supervisory Board adopted resolutions on the following matters:

- electing the statutory auditor to audit the financial statements,
- consenting to enter into various loan agreements,
- appointing management board members for another term of office,
- appointing audit committee members for another term of office.

Overall, the Supervisory Board adopted 54 resolutions in 2018.

## Audit Committee

An Audit Committee has been formed in the Company. In 2018 the Audit Committee operated in the following composition:

- |   |                   |                          |                                   |
|---|-------------------|--------------------------|-----------------------------------|
| – | Piotr Nowjalis    | Audit Committee Chairman | 1 January 2018 – 31 December 2018 |
| – | Sławomir Jakszuk  | Audit Committee Member   | 1 January 2018 – 31 December 2018 |
| – | Maciej Polanowski | Audit Committee Member   | 1 January 2018 – 31 December 2018 |

Piotr Nowjalis acted in the capacity of Chairman of the Audit Committee.

The Audit Committee held five meetings in 2018, including three meetings that took place in the Company's registered office and two conference calls with the auditor auditing the standalone and consolidated financial statements. These conference calls were held using remote means of communication.

**The first Audit Committee meeting in 2018 took place on 13 March 2018.** The Audit Committee met with the audit firm auditing the Company's financial statements during the meeting. The auditor provided information regarding the scope and strategy of the audit to identify material risk. The auditors confirmed that the revenue under contracts with suppliers had been duly recognized in the accounting ledgers and financial statements in all material aspects. The results of control tests and the performance of control procedures were also summarized. The identified risks were also discussed, and information was provided on the level of materiality for the standalone and consolidated financial statements.

**The second Audit Committee meeting was held on 6 April 2018.** The Audit Committee adopted its work plan for 2018 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. 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 2017. The next item in the agenda was to meet with the internal auditor and discuss the Company's internal control system.

On 25 June 2018 during its third meeting the Audit Committee of Dino Polska S.A., after familiarizing itself with the report on the conduct of the procedure to select an audit firm by the tender team appointed by the Management Board of Dino Polska S.A. adopted a resolution to recommend to the Supervisory Board extending the agreement with the current audit firm, i.e. Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k. for another 3 years in the following scope: auditing the financial statements of Dino Polska S.A., reviewing the interim standalone financial

statements of Dino Polska S.A. and the consolidated financial statements of the DINO Polska S.A. Group.

The Audit Committee’s fourth meeting was held on 14 August 2018 in the form of a conference call with representatives of the Ernst & Young audit firm. The conference call pertained to the summary of the review of the standalone and consolidated financial statements of Dino Polska S.A.

During the **Audit Committee’s fifth meeting in 2018, i.e. on 23 November**, the internal auditor presented the scope of audit tasks and the findings of the audits conducted in 2018. The Audit Committee members held a discussion on internal audit’s work plan for 2019 and they arrived at the conclusion that the scope of work and the work plan will be adopted by circulation after the Company furnishes additional materials. Another conference call was held on 17 December 2018 with the company’s auditor, i.e. Ernst & Young. During this conference call the Key Audit Matters were presented in respect of the upcoming audit of the financial statements. More detailed information is set forth in the Audit Committee’s 2018 activity report.

**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 used their best efforts 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 has determined that it has fulfilled its duties arising out of 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 2018 financial year.

**Supervisory Board of DINO POLSKA S.A.**

Tomasz Biernacki \_\_\_\_\_

Eryk Bajer \_\_\_\_\_

Maciej Polanowski \_\_\_\_\_

Piotr Nowjalis \_\_\_\_\_

Sławomir Jakszuk \_\_\_\_\_