

“Resolution No [...]”
of the Supervisory Board of Agora S.A.
dated 7 March 2018

on the assessment of the Company’s position in 2017

As Agora S.A. ("the Company") implemented the Code of Best Practice for Warsaw Stock Exchange (WSE) Listed Companies, adopted pursuant to Art. 29 of the Warsaw Stock Exchange S.A. by-laws, the Supervisory Board of the Company resolves as follows:

1. The Company's Supervisory Board evaluated the position of the Agora Group in 2017

The Supervisory Board formulated its evaluation on the basis of the review of the Agora Group’s ("the Group") affairs and the discussions with the Company's Management Board, conducted during regular and ad hoc meetings held with the Management Board, as well as in the course of their ongoing cooperation. The Supervisory Board has also taken into consideration the review of the financial statements for the first half of the year and for the financial year 2017 prepared by the Audit Committee which held meetings with the participation of the Company's auditor. The assessment of the market situation is based on publicly available information about the activities of other entities, and therefore it should be remembered that the market data presented in this document and any resulting conclusions are to be treated as estimates only.

In the opinion of the Supervisory Board, in 2017 the Company's Management Board continued to implement midterm development plans of the Agora Group. These plans had been announced in the first quarter of 2014. Their implementation is aimed at growth of scale through revenue increase, as well as improvement of profitability. In 2017, the composition of the Company's Management Board changed significantly. The number of Board members has been increased to five persons, and three persons in the current composition of the Management Board are newly appointed members. In the opinion of the Supervisory Board, those personal changes significantly strengthened competences and skills of the Management Board of the Company and ensured a greater diversity in the composition of the governing body. The new Management Board of the Company is entrusted with a task of developing a further strategic perspective for the Agora Group. The Supervisory Board appreciates the involvement of the Company's Management Board and its swift proceedings related to the new tasks. In 2017, the Company's Management Board conducted asset impairment tests and decided to incur impairment loss of fixed assets of PLN 88.9 million, which significantly lowered the Group's result at the EBIT level. At the same time, the Company's Management Board decided to restructure the Group's printing activities. The reason for the restructuring measures, including collective redundancies, is a rising decrease of sales revenues from coldset printing services in which the Agora Group’s printing plants specialize. Customers for these services are press publishers that systematically reduce circulations of their published titles, and large commercial chains with their promotional bulletins which are increasingly choosing to print promotional materials on different paper.

At the same time, the remaining operating businesses of the Group continued to grow. The Helios cinema network reported record-high revenues from cinema tickets sales, the Outdoor Advertising and the Radio segments significantly improved profitability, and the Internet segment experienced a revenue growth. In the opinion of the Supervisory Board it should be emphasised that the Press segment not only significantly improved its operating results, but also once again reported a record-high number of digital subscriptions of *Gazeta Wyborcza*, which as at the end of December 2017 reached almost 133,000.

As at the end of 2017, the Group’s balance of cash and short-term financial assets equalled PLN 111.0 million and included cash and cash equivalents in the amount of PLN 19.2 million (cash, bank accounts and deposits) and PLN 91.8 million invested in short-term securities. Additionally, as at 31 December 2017, the Group held non-current receivables due to AMS S.A. cash deposits amounting to PLN 21.6 million, securing bank guarantees granted in relation to the execution of a concession

contract for the construction and modernisation of bus/tram shelters in Warsaw (including PLN 10.8 million disclosed under long-term receivables).

The Group's loan debt amounted to PLN 85.3 million (including external debt of Helios S.A. consisting of bank loans and finance lease liabilities in the amount of PLN 52.8 million).

The balance of cash held by the Group as at 31 December 2017 was affected by, *inter alia*, a programme of own shares repurchase — in total, the Company paid PLN 21,7 million for 1,084,595 shares – and proceeds from the disposal of shares in Green Content Sp. z o. o.

i. PRESS

2017 was a difficult year for the entire press market and brought further decreases in copy sales of newspapers and reductions of advertising expenditures. *Gazeta Wyborcza* with its traditional edition maintained its leading position among the most popular opinion-forming dailies in Poland and has the biggest share in advertising expenditures among dailies. Owing to the restructuring measures undertaken by the Company's Management Board in 2016, the Press segment ended the year 2017 with improved operating result. At the same time, the digital transformation process of *Gazeta Wyborcza* continues smoothly. As at the end of 2017, the Company recorded almost 133,000 paid digital subscriptions of the daily, which means that its objective was once again exceeded. In addition, the resulting revenues constitute an increasingly important revenue source for the segment. The Supervisory Board, with great attention and satisfaction, is following the digital growth of *Gazeta Wyborcza* which is an unquestionable leader in this area on the Polish market. The Magazines division, being a part of the Press segment, developed a new publishing strategy, focusing on the most promising titles and intensifying publishing-related and custom publishing activities. The Supervisory Board fully supports a decision to transfer the Magazines websites to the Internet segment in order to ensure consistency and to accelerate the development of the Group's activities in the content-to-commerce area.

ii. MOVIES AND BOOKS

In 2017, there was a further development of the cinema industry in Poland which resulted in a subsequent attendance record. Due to the consistently managed investment policy, at the end of 2017 Helios cinema network consisted of 44 modern multiplex cinemas with 241 projection screens. As a result, Helios remains the largest cinema operator in Poland in terms of the number of facilities. Thanks to a record-high attendance in Polish cinemas, the Movies and Books segment (including Helios S.A., NEXT FILM Sp. z o. o. and Agora's Publishing House) experienced a double-digit increase in revenues and operating results. NEXT FILM, a Helios Group company involved in movie production, introduced the following productions to Polish cinemas: *Sztuka Kochania. Historia Michaliny Wislockiej, Po prostu przyjaźń, Tarapaty, Pokot, Twój Vincent*. Agora's Publishing House noted impressive sales results as well.

iii. OUTDOOR ADVERTISING

In 2017, AMS' advertising revenues were lower than in 2016 due to conditions on the outdoor advertising market and discontinuation of the cooperation with Warsaw metro. Despite that fact the Outdoor Advertising segment (including AMS S.A. and Adpol Sp. z o. o.) generated a double-digit growth in operating performance. This is the result of an effective implementation of AMS' strategy to build a market leader position in the Premium media segment. In 2017, the activities of the Outdoor Advertising segment focused on building bus/tram shelters in Warsaw - execution of a breakthrough project for the entire outdoor market.

iv. INTERNET

Last year has brought record revenues for the Internet segment (including the Internet division of Agora S.A., Trader.com (Polska) Sp. z o.o., Yieldbird Sp. z o.o., Goldenline Sp. z o.o. -

since January 2016, and Optimizers Sp. z o.o.) – PLN 168.6 million. Increased revenues of the segment were largely impacted by higher sales of Internet advertisements by Yieldbird. A dynamic development of the company was noticed and rewarded, *inter alia*, in Deloitte's prestigious *Technology Fast 50 Central Europe* ranking. The Internet segment concentrated its activities on structuring its projects' portfolio and on strengthening its leading position in the programmatic advertising area.

v. **RADIO**

Radio stations belonging to the Agora Group once again reported revenue growth. They were positively impacted mainly by higher revenues from the brokerage services provided for Helios cinemas and improving air time sales in the radio stations of the Agora Radio Group. Total revenues of the Radio segment (including the Radio division in Agora S.A., all local radio stations and the supra-regional TOK FM station) amounted to PLN 114.0 million. Importantly, thanks to the reduction of the operating costs, the business significantly improved its operating results.

vi. **PRINT**

In 2017, the Print segment (including the Print division of Agora S.A. and Agora Poligrafia Sp. z o.o.) reported a lower result than in 2016. This was mainly due to a rising decline in revenues from sales of coldset printing services in which the Agora Group printing plants specialize. This trend results to a large extent from the condition of the press market in Poland whose participants are main purchasers of the coldset printing services. In 2017, resignations from the printing of promotional materials in the coldset technology in favor of a different technology, made by certain customers outside the press sector, had a significant impact on the lower revenues from this business. Services commissioned by clients from other market segments, including those realised in the heatset technology, present a significantly smaller share in the Group's print activity - due to infrastructural constraints, they never did, nor are able to, compensate for the decrease in revenue from coldset printing services. Therefore, the Supervisory Board appreciates the Management Board's decision to embark on in-depth restructuring measures aimed at reducing operating costs of printing plants and optimising the operational processes so as to reduce the negative impact of decrease in print volumes on the financial condition of the Print segment. One of the measures taken are collective redundancies which are to include up to 53 employees working in the Print segment and take place between 15 February and 16 March 2018. The estimated costs of the provision related to the collective redundancies will be about PLN 1.6 million and they will be charged into the Agora Group's result in the first quarter of 2018. Estimated savings from the restructuring process will be around PLN 2.0 - 2.5 million per year.

vii. **TELEVISION**

The Supervisory Board highly appreciates the performance of Stopklatka television and notes with satisfaction a success of the launch of METRO television. At the same time, the Supervisory Board agrees with the assessment of the prospects for the Agora Group on the television market. The market is extremely competitive and it is difficult to be successful without an appropriate scale of activities. Therefore, the Supervisory Board agrees with a decision of the Company's Management Board to sell shares in Green Content, the broadcaster of the METRO channel.

The Supervisory Board welcomes the effective implementation of the midterm development plans of the Agora Group. In 2017, initiatives carried out by the Company's Management Board yielded excellent results. The Group reported an increase of revenues and took many important actions and made decisions in order to prepare the whole Group for a new strategic perspective. The Supervisory Board positively assesses the situation of the Company and of the Agora Group and expects

discussions with the Company's Management Board on the Group's development strategy for subsequent years.

2. Evaluation of the internal control system, risk management, compliance and the function of internal audit in Agora Group

The Supervisory Board, together with the Company's Management Board, analyses the market environment and the risk factors, to which the Agora Group is exposed, on a daily basis. New projects are analysed and evaluated. The Group maintains its liquidity and low debt level, reducing its financial risk. In the event of regulation changes, the Group responds accordingly by appropriate adaptations of its activities. Internal control and risk management systems are currently in place in the Group. Main elements of the internal control system are parts of the Group's business processes and include, among others:

- procedures and by-laws regarding, among others, delegation of the rights and decision authorization, evaluation of the business projects, registration and processing of business transactions,
- reporting and transaction control of the processes and results of particular business areas,
- reviews of IT systems supporting execution of the business processes and monitoring the activities of the systems themselves.

The management staff fulfills specific tasks resulting from the internal control system and the continuing supervision over its effectiveness as a part of the management of the Group's selected segments. In addition, the Internal Audit department, responsible, among others, for identifying internal control and security risks and recommending actions aimed at mitigating such risks to the Management Board, operates in the Company. The Supervisory Board holds regular meetings with the Company's Internal Auditor of the Company during which reports on selected areas of activities are discussed and specific actions are agreed upon. In 2017, representatives of the Supervisory Board met ten times with the Company's Internal Auditor.

The Supervisory Board, together with the Internal Auditor, establishes a work plan for the whole year and a detailed schedule of activities. The scope of information provided at meetings with the Internal Auditor, in the opinion of the Supervisory Board, permits the latter to have a better understanding of the key risks to which the Company is exposed and to recommend methods for their better identification and addressing. For this purpose, a risk map of the Agora Group was developed in 2017 and materiality levels were determined for purposes of risk analysis in line with the Risk Management Policy. The Internal Audit department also assists in controlling the effectiveness of the risk management system by regularly reviewing selected areas of the Company's activities in order to eliminate possible risks. The risk management system includes: the internal control system, the risk map, a risk register and a continuous and multistage supervision of the Management Board and the management staff over selected business segments.

Moreover, there is an ongoing assessment of risks for the achievement of specific business objectives laid down in the midterm development plan for the Agora Group adopted by the Management Board. In response to any identified risks, on an on-going basis the Management Board and the management staff makes changes to applicable procedures. Based on the information provided to the Supervisory Board and the discussions with the Management Board and representatives of the Internal Audit department, the Supervisory Board is of the opinion that the internal control and risk management system in place proved to be effective in the hitherto existing activities of the Company and of the Group.

There is no separate Compliance department within the Company's structure. This role is being fulfilled by a dedicated corporate affairs team in the Company's Legal Department which reports directly to the Agora Group's Legal Director. The Supervisory Board is of positive opinion about both professional competences and work involvement of the said team, in particular in the face of a dynamically changing legislative environment, including the risks related to attempts to further

politicise legal regulations, including those directly related to the functioning of media in Poland, as well as the diversity of the Agora Group's operating areas.

The Supervisory Board welcomes a continued cooperation of the compliance team with a reputable external law firm in terms of the Company's compliance with its disclosure obligations.

3. Evaluation of Company's compliance with its disclosure obligations

The Supervisory Board has no objections as to the manner in which the Company fulfills its disclosure obligations, both in respect of the application of the principles of corporate governance set out in the Regulations of the Warsaw Stock Exchange and those required by the laws on current and periodic information reported by issuers of securities.

In the opinion of the Supervisory Board, the Company complies with those obligations with utmost care and transparency.

4. Evaluation of the rationale of the Company's policy for social and sponsorship activities

- i. Based on an analysis of the Social and Sponsoring Activities Policy of Agora S.A. the Supervisory Board believes that the policy is implemented in a reasonable and effective way and brings measurable benefits to the Company.

As part of its **social** activities, Agora implements long-term campaigns for the benefit of seniors, civil society and sustainable urban development, and is involved in environmental issues. These include, for example, discussions with important figures in a *Wyborcza na żywo* series of meetings, a nationwide campaign *Pracownia miast*, as well as regional events: *Miasta Idei na Śląsku* and *Śląskie bez smogu!*, the involvement of *Gazeta.pl* in the Greenpeace *Adoptuj pszczołę* campaign or *Jutronauci* - a pioneer project of *Gazeta Wyborcza*, which multidimensionally supports the spread of innovative attitudes.

Education is a key topic of the Agora's corporate social responsibility, and initiatives implemented by Agora include projects addressed to schools, teachers, parents and students. Examples of projects include the sixteenth edition of *Szkoła z Klasą 2.0* campaign, the *Matematyka się liczy* action implemented by *Gazeta Wyborcza* jointly with the mBank Foundation, as well as the educational activities of Helios network cinemas, *Kino na temat* and *Kino na temat Junior*, i.e. series of film meetings for young viewers.

The Agora Group's media are also involved in activities related to the **promotion and popularisation of culture**. Examples of such long-standing projects include literary awards (NIKE Award, Ryszard Kapuściński Award), Warsaw festivals and events (Co Jest Grane Festival, European Music Fair Co jest Grane 24) and Olsztyn Green Festival. Cultural prizes awarded in many local editorial offices of *Gazeta Wyborcza* are also important, such as Wdechy in Warszawie, WARTO Award in Wrocław, and the *Cegła z Gazety* – Janosch Award in Katowice.

Another of the pillars of Agora's social activities are **charitable initiatives** in which the Company's employees are also involved. Examples include the long-term involvement of *Gazeta Wyborcza* in charity campaigns on Children's Day, as well as activities undertaken as part of *Fabryka świętego Mikołaja* in Wrocław and *Krzesa dla ISKIERKI* initiative in Katowice. In addition, as a part of creating equal opportunities, the Agora Foundation and the Academy for the Development of Philanthropy have been running *Agrafka Agory* programme for many years. Every year employees, readers, listeners, audiences and customers of the Agora Group engage in auctions and fundraising for the benefit of *Wielka Orkiestra Świętecznej Pomocy*, WOŚP (The Great Orchestra of Christmas

Charity). In 2017, the radio stations from Agora Group became involved in a special charity campaign *We are rebuilding the village of Wysoka Zaborska*, aimed at helping those who suffered in the August storm.

Employees' involvement in various pro bono activities is an illustration of the Company's priority approach to social issues. As part of the *Finished – Let's swap* campaign, the books donated by the employees are distributed, among others, to the single mother's homes and hospitals. In 2017, Agora's employees took part in an unpaid blood donation campaign in which 5 litres of blood were collected. They also participated in the *Recycling of kindness* poll in which they chose an organisation to which the Company transferred funds from the sale of the paper archive of *Gazeta Wyborcza*.

- ii. In the opinion of the Supervisory Board, the projects were implemented in the social areas indicated in the Social and Sponsoring Policy of Agora Group, i.e. they concerned education, individual and social development, shaping civic attitudes and caring for human rights, promotion of culture and universal access to it, promotion of health and healthy lifestyle, care for the natural environment and other aspects of charity and support activities. Preparation, implementation and evaluation of the projects were carried out with due diligence and they complied with stakeholder engagement and cross-sectoral partnership principles.
- iii. The good practices introduced by the Company in the area of social engagement and development of the local community strengthened its relations with local communities, enabled to raise major social issues by reaching a wide audience, improved the Company's reputation and its positive perception among stakeholders (including but not limited to customers, local communities, social organisations). The implemented Social and Sponsoring Policy brought measurable benefits to the Company: strengthening its leading position in the media with regard to its involvement in current social affairs and the involvement and satisfaction of employees due to their participation in social activities.
- iv. The Supervisory Board acknowledges that the Company's social and sponsoring projects are an expression of its strategic approach to corporate social responsibility. That is a concept under which the Company takes responsibility for its decisions and activities on the society and on the environment, contributes to sustainable development, including well-being and health of the society, takes into account the expectations of stakeholders. It complies with applicable laws, follows international standards of conduct and is integrated with the organisation's activities and practiced in its relations.
- v. The implementation of the Policy in said area serves the interests of the Company and all of its stakeholders, including shareholders. In the Supervisory Board's opinion, measures taken in this area are relevant and worth continuing.

5. Assessment of the diversity policy and its effects.

I) Diversity of administrative, management and supervisory bodies in Agora S.A.

Diversity and openness are values which form an integral part of both the Company's business activities and employment policy. The diversity policy in place at Agora S.A. is based on the Agora's Charter which was developed jointly with *Gazeta Wyborcza* and the Company.

As an employer, Agora is guided by the principles of equal treatment and counteracting all forms of discrimination, believing that this brings real benefits and supports the Company's growth and innovation. One of the objectives of the diversity policy pursued by Agora is to emphasise the openness of the organisation to diversity which increases the effectiveness of work, builds trust and

counteracts discrimination. The diversity practice also aims to fully utilize the potential of employees, their diverse skills, experiences and talents in an atmosphere of respect, support and teamwork.

As an employer, Agora creates work atmosphere which makes employees feel respected, and gives them the sense that they are able to fully realise their professional potential. The Company builds a culture of dialogue, openness, tolerance and teamwork.

In 2016, Agora S.A. introduced the diversity policy which applies to all employees. Its aim is to consistently create a workplace that is free from discrimination, regardless of reasons, and at the same time engages the best specialists who contribute to the Company's success. Agora is an employer that cares for the development of the team through internal and external training. Agora's diversity policy is based on overcoming barriers such as age, gender or health status, and is guided by the principle that the professional potential of employees is determined by their competence. In this manner, the Company wants to support implementation of its strategy to the best of its abilities and to offer the highest-quality products and services to its consumers.

II) Supervisory Board

The procedure for the appointment of Supervisory Board members is set forth in the Company's Statutes and other laws and regulations applicable to the Company. Agora has a limited impact on the composition of the body supervising its operations.

III) Management Board

- The procedure for the appointment of the Management Board is also specified in the Company's Statutes. Only holders of series A shares have the right to appoint members of the Management Board. In the Supervisory Board's opinion, when presenting candidates, these shareholders took into account, as a decisive criterion, high qualifications, professional experience in the main areas of the Agora Group's operations and professional competences for the position of a member of the Management Board.
- In 2017, members of the Company's Management Board had complementary experience, skills and competences. Each of the members of the Management Board has different background – they are graduates of: University of Silesia, University of Łódź, University of Edinburgh, University of Economics in Poznań, Manchester Business School, Wrocław University of Technology, Warsaw University of Technology and Warsaw School of Economics.
- It is worth emphasising that the decisive aspect in selecting the governing bodies of the Company and its key managers is ensuring versatility and diversity, especially in the area of professional experience, age, education and gender. Outstanding qualifications as well as professional experience and relevant preparation for specific functions are of decisive importance in this respect.

Gender structure in supervisory and management bodies of Agora S.A.

	Men		Women	
As at the end of	2017	2016	2017	2016

Management Board	3	4	2	0
Supervisory Board	5	4	1	2

- Respectively, on 1 March 2017 Agnieszka Sadowska and on 8 November 2017 Anna Kryńska-Godlewska were appointed to the Management Board of Agora S.A. Thus, 2 women are in the Company's Management Board.

IV) Administrative bodies

The administrative bodies of Agora S.A. include employees who occupy managerial positions. The diversity policy for administrative bodies involves the creation of a workplace free from discrimination based on gender, age, origin, health, education, political or religious beliefs where competence and experience are the basis of the organisational culture. This approach is reflected in the diversity of teams across the Company. Gender equality is one of the key aspects of diversity at Agora due to the similar number of male and female employees (women accounted for 52.2% of employees in the Company and men accounted for 47.8 % as at 31 December 2017). The gender structure in the administrative bodies confirms that the objective has been achieved. Meanwhile, an employee evaluation system in place at Agora S.A., including assessment of managerial competences, allows to draft career and development paths within the Company, excluding unequal treatment regardless of reasons.

Gender structure in the administrative bodies (managerial positions) at Agora S.A. (as at 31 December 2017).

	% within Agora S.A.	
	Women	Men
Agora S.A.	51.7%	48.3%

On 8 March 2017 the Company signed the Diversity Charter, joining the European initiative to promote diversity in the workplace.

Supervisory Board:

Andrzej Szlęzak
Chairman of the Supervisory Board

Wanda Rapaczynski
Member of the Supervisory Board

Tomasz Wiśniewski
Member of the Supervisory Board

Tomasz Sielicki
Member of the Supervisory Board

Dariusz Formela
Member of the Supervisory Board

Andrzej Dobosz
Member of the Supervisory Board