

SUPERVISORY BOARD AND COMMITTEES

APPOINTMENT AND DISMISSAL OF SUPERVISORY BOARD MEMBERS

Under the Articles of Association, the Exchange Supervisory Board consists of five to seven members appointed for a joint three-year term.

The General Meeting appoints:

- at least one of the Exchange Supervisory Board members from among the candidates proposed by the shareholders being exchange members^[1]
- and at least one of the Exchange Supervisory Board members from among the candidates proposed by the minority shareholders.

At least two members of the Exchange Supervisory Board need to meet the criteria for independence laid down in the Articles of Association including no professional or family relations especially with managing and supervisory persons of WSE and WSE Group companies. The General Meeting elects the other members of the Exchange Supervisory Board under the general rules.

The Exchange Supervisory Board appoints the Chairman and the Deputy Chairman of the Exchange Supervisory Board from among its members. The Exchange Supervisory Board may also appoint a Secretary to the Exchange Supervisory Board from among its members.

A detailed description of the procedures of appointment and dismissal of members of the Exchange Supervisory Board is laid down in the Articles of Association.

[1] Exchange Member – capital market participant authorised to trade directly on Warsaw Stock Exchange subject to the criteria laid down in WSE regulations.

POWERS OF THE SUPERVISORY BOARD

The Exchange Supervisory Board exercises on-going supervision of the Company's activity. The powers of the Exchange Supervisory Board are laid down in the Articles of Association, in particular § 18. In addition to powers typical of a supervisory Board, the Articles of Association provide that a resolution of the Exchange Supervisory Board is required for the following:

- granting consent for the conclusion of an agreement on establishing a strategic alliance with another stock exchange (in particular regarding on-going operational relations involving the main scope of activities of the Company);
- approval, at the request of the Exchange Management Board, of a multiannual growth strategy of the Exchange;
- granting consent for the conclusion, to the extent permitted by law, of an agreement for outsourcing operational services of trading on the regulated market or any segment thereof, or an agreement for the outsourcing operational services of trading organised in an alternative trading system;
- acquisition of an IT system for concluding stock exchange transactions; and
- granting consent for the purchase or disposal of shares in companies or partnerships if the value thereof, according to the purchase price or selling price, exceeds 1/10 of the Company's share capital.

COMPOSITION OF THE SUPERVISORY BOARD AND CHANGES IN 2014

The three-year term of office of the Exchange Supervisory Board in the composition presented in table below ended on 27 June 2014.

COMPOSITION OF THE EXCHANGE SUPERVISORY BOARD OF THE PREVIOUS TERM OF OFFICE

As at 31 December 2013 and 25 July 2014

Dr Wiesław Rożucki	Chairman of the Exchange Supervisory Board
Prof. Marek Wierzbowski	Deputy Chairman of the Exchange Supervisory Board
Dariusz Kacprzyk	Member of the Exchange Supervisory Board
Sławomir Krupa	Member of the Exchange Supervisory Board
Jacek Lewandowski	Member of the Exchange Supervisory Board

Leszek Pawłowicz	Member of the Exchange Supervisory Board
Dr Marek Słomski	Member of the Exchange Supervisory Board

The mandates of these members of the Exchange Supervisory Board expired on the day of the General Meeting which approved the financial statements for 2013, i.e., 25 July 2014. On the same day, the Ordinary General Meeting of WSE elected the Exchange Supervisory Board for a new three-year term of office including: Dariusz Kacprzyk, Jacek Lewandowski, Piotr Piłat, Dr Wiesław Rożłucki, Dr Marek Słomski (from among candidates nominated by shareholders being Exchange Members) and Prof. Marek Wierzbowski.

Furthermore, on 25 August 2014, the Extraordinary General Meeting of WSE elected Wiesław Maj (from among candidates proposed by minority shareholders) to the Exchange Supervisory Board.

COMPOSITION OF THE EXCHANGE SUPERVISORY BOARD OF THE CURRENT TERM OF OFFICE, AS AT 31 DECEMBER 2014

Dr Wiesław Rożłucki	Chairman of the Exchange Supervisory Board	independent member of the Exchange Supervisory Board ^[2]
Prof. Marek Wierzbowski	Deputy Chairman of the Exchange Supervisory Board	
Dariusz Kacprzyk	Member of the Exchange Supervisory Board	independent member of the Exchange Supervisory Board
Jacek Lewandowski	Member of the Exchange Supervisory Board	independent member of the Exchange Supervisory Board
Marek Słomski	Member of the Exchange Supervisory Board	independent member of the Exchange Supervisory Board
Piotr Piłat	Member of the Exchange Supervisory Board	
Waldemar Maj	Member of the Exchange Supervisory Board	independent member of the Exchange Supervisory Board

[2] According to the independence criteria of Supervisory Board Members under Chapter III.6 of the Best Practices of WSE Listed Companies, including the provisions of Annex II to European Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.

COMMITTEES OF THE EXCHANGE SUPERVISORY BOARD

According to the Articles of Association, the Exchange Supervisory Board appoints the Audit Committee and the Regulation Committee, and may additionally appoint other committees, in particular the Nominations and Remuneration Committee. The detailed powers and procedures of appointment and operation of the committees are defined in the Articles of Association and the Exchange Supervisory Board Rules available on the WSE website (www.gpw.pl) under Regulations, Legal Acts (http://www.gpw.pl/legal_acts).

The Table below presents the list of committees of the Exchange Supervisory Board, their composition and responsibilities.

COMPOSITION AND RESPONSIBILITIES OF COMMITTEES OF THE EXCHANGE SUPERVISORY BOARD, AS AT 31 DECEMBER 2014

Strategy Committee		
Wiesław Rożłucki	Chairman	<ul style="list-style-type: none">♦ issues opinions on WSE's strategy and its updates;§ issues opinions on implementation of WSE's strategy;♦ issues opinions on the aspects of WSE's privatisation;♦ issues opinions on proposals of strategic alliances of WSE;♦ issues opinions on proposals of acquisition by WSE of stakes in entities of strategic significance;♦ issues opinions on materials related to exchange fees
Jacek Lewandowski	Member	
Piotr Piłat	Member	
Waldemar Maj	Member	
Regulation and Corporate Governance Committee		
Marek Wierzbowski	Chairman	<ul style="list-style-type: none">♦ initiates and issues opinions on proposed changes in regulations;♦ prepares Management and Supervisory Boards' joint position statements;

Piotr Piłat	Member	<ul style="list-style-type: none">• issues opinions on statements of WSE's compliance with corporate governance rules;• initiates, issues opinions and monitors activities related to the implementation of the corporate governance rules by WSE;• initiates, issues opinions and monitors activities supporting the implementation of the corporate governance rules in listed companies
		Remuneration and Nominations Committee
Dariusz Kacprzyk	Chairman	<ul style="list-style-type: none">• issues opinions on the remuneration system;• issues opinions on employment contracts with the Exchange Management Board members;• issues opinions on annual awards proposed for the Exchange Management Board members;• issues opinions on the incentive system
Wiesław Rozłucki	Member	
Marek Słomski	Member	
		Audit Committee ^[3]
Marek Słomski	Chairman	<ul style="list-style-type: none">• issues opinions on financial statements and motions of the Management Board concerning profit distribution or coverage of a loss;• issues opinions on WSE's financial plan;• issues opinions on Exchange Management Board reports on performance of the financial plan;• issues opinions on risk assessment reports;• issues opinions on proposals of entities to be appointed auditor;• recommends the selection of the entity to be appointed auditor.
Dariusz Kacprzyk	Member	
Jacek Lewandowski	Member	

[3] As at the date of preparation of this Report, all members of the Audit Committee meet the criteria of independence and one member of the Audit Committee is qualified in accounting or auditing according to Article 86.4 of the Act on Auditors.

PARTICIPATION OF WOMEN AND MEN IN THE EXCHANGE SUPERVISORY BOARD

According to the Code of Best Practice for WSE Listed Companies (Section II.1.2a), WSE publishes information on the participation of women and men in the Exchange Supervisory Board at the end of the year and, additionally, the date when the proportions changed during the year.

NUMBER OF WOMEN AND MEN ON THE EXCHANGE SUPERVISORY BOARD

As at:	Number of women	Number of men
31 December 2010	2	5
28 February 2011	1	6
27 June 2011	0	7
31 December 2011	0	7
31 December 2012	0	7
9 April 2013	0	6
21 June 2013	0	7
31 December 2013	0	7
25 July 2014	0	6
25 August 2014	0	7
31 December 2014	0	7