

REPORT ON THE ACTIVITY OF THE SUPERVISORY

BOARD OF CIECH S.A.

for the financial year of 2014

Warsaw, May 2015

The Supervisory Board of CIECH S.A. is submitting a report on its activity in financial year 2014, covering, among others, the report on the results of the evaluation, as referred to in Art. 382 § 3 of the Commercial Companies Code, i.e. the evaluation of: The report on activity of CIECH S.A. for 2014, the financial statement of CIECH S.A. for 2014, the report on the activity of the Ciech Group for 2014 and the consolidated financial statement of the Ciech Group for 2014.

The scope of this report covers:

- Information concerning the composition of the Supervisory Board of CIECH S.A. in 2014;
- Discussion of the activity of the Supervisory Board of CIECH S.A. in the period from 1 January 2014 to 31 December 2014, including information about the issues discussed during the meetings of the Board;
- Information concerning the activity of the Audit Committee of the Supervisory Board of CIECH S.A. in 2014;
- Information concerning the activity of the Remuneration Committee of the Supervisory Board of CIECH S.A. in 2014;
- Evaluation of the report on the activity of the Company in the financial year 2014 and Unit Financial Statement of the Company for financial year 2014 with regard to their compliance with the books and documents, as well as with the actual state of affairs, as well as a motion of the Management Board of CIECH S.A. concerning the distribution of the net profit of CIECH S.A. for the financial year 2014;
- Evaluation of the report on the activity of the Ciech Group in the financial year 2014 and the consolidated financial statement of the Ciech Group for the financial year 2014 with regard to their compliance with books and documents, as well as with the actual state of affairs.
- Recommendations for the Ordinary Shareholders' Meeting of CIECH S.A.

INFORMATION CONCERNING THE COMPOSITION OF THE SUPERVISORY BOARD OF CIECH S.A. IN 2014

Composition of the Supervisory Board as of 1 January 2014 was as follows:

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| 1. | Ewa Sibrecht-Ośka | - | Chairman of the Supervisory Board |
| 2. | Przemysław Cieszyński | - | Deputy Chairman of the Supervisory Board |
| 3. | Mariusz Obszyński | - | Secretary of the Supervisory Board |
| 4. | Arkadiusz Grabalski | - | Member of the Supervisory Board |
| 5. | Zygmunt Kwiatkowski | - | Member of the Supervisory Board |
| 6. | Maciej Lipiec | - | Member of the Supervisory Board |
| 7. | Waldemar Maj | - | Member of the Supervisory Board |
| 8. | Sławomir Stelmasiak | - | Member of the Supervisory Board |

On 23 May 2014, the Ordinary Shareholders' Meeting of CIECH S.A. appointed the Supervisory Board of Ciech S.A. for another, joint term, with the following composition: Ewa Sibrecht-Ośka, Arkadiusz Grabalski, Zygmunt Kwiatkowski, Maciej Lipiec, Waldemar Maj, Mariusz Obszyński, Sławomir Stelmasiak.

On 7 July 2014, the Extraordinary Shareholders' Meeting of CIECH S.A. dismissed all current members of the Supervisory Board of the Company indicated above and appointed new Supervisory Board, namely:

1. Dr Jan Kulczyk - Chairman of the Supervisory Board
2. Tomasz Mikołajczak - Deputy Chairman of the Supervisory Board
3. Wojciech Stramski - Secretary of the Supervisory Board
4. Piotr Augustyniak - Member of the Supervisory Board
5. Mariusz Nowak - Member of the Supervisory Board
6. Artur Olech - Member of the Supervisory Board
7. Maciej Tybura - Member of the Supervisory Board

On 9 October 2014, Mr Maciej Tybura resigned from his function in the Supervisory Board of the Company as of 10 October 2014.

Starting on 10 October 2014, the Supervisory Board of CIECH S.A. is serving its functions with the following composition:

1. Dr Jan Kulczyk - Chairman of the Supervisory Board
2. Tomasz Mikołajczak - Deputy Chairman of the Supervisory Board
3. Wojciech Stramski - Secretary of the Supervisory Board
4. Piotr Augustyniak - Member of the Supervisory Board
5. Mariusz Nowak - Member of the Supervisory Board
6. Artur Olech - Member of the Supervisory Board

In 2014, there were two committees operating within the Supervisory Board of CIECH S.A.: the Audit Committee of the Supervisory Board of CIECH S.A. and the Remuneration Committee of the Supervisory Board of CIECH S.A.

Information about the activities of the aforementioned committees are presented in the following parts of this report.

DISCUSSION OF THE ACTIVITY OF THE SUPERVISORY BOARD OF CIECH S.A. IN 2014

In 2014, there were 10 meetings of the Supervisory Board of CIECH S.A. held.

Acting pursuant to § 21 section 1 of the By-laws of CIECH S.A. and § 3 section 1 of the Rules and Regulations of the Supervisory Board, the Supervisory Board of CIECH S.A. performed regular supervision of the activity of the Company.

Below we discuss the most important issues which were handled by the Supervisory Board during the financial year 2014.

FINANCIAL PLAN FOR 2014

On 17 March 2014, by means of Resolution No. 143/VII/2014, the Supervisory Board granted a positive opinion both to the Financial Plan of CIECH S.A. for 2014, adopted by the Management Board of the Company by means of Resolution No. 7/2014 of 24 January 2014, and the Financial Plan of the CIECH Group for 2014, adopted by the Management Board of the Company by means of Resolution No. 8/2014 of 24 January 2014.

PREPARATIONS FOR ORDINARY SHAREHOLDERS' MEETING OF CIECH S.A. ON 24 APRIL 2014

During the meeting on 27 March 2014, the Supervisory Board evaluated:

- 1) The report on the activity of CIECH S.A. for 2013 (Resolution No. 149/VII/2014),
- 2) The unit financial statement of CIECH S.A. for 2013 (Resolution No. 150/VII/2014),
- 3) The report on the activity of the Ciech Group for 2013 (Resolution No. 151/VII/2014),
- 4) The consolidated financial statement of the Ciech group for 2013 (Resolution No. 152/VII/2014),
- 5) The motion of the Management Board of CIECH S.A. regarding the allocation of the full net profit gained by CIECH S.A. in 2013 to the amount of PLN 100,692,846.14 to the supplementary fund of the Company (Resolution No. 153/VII/2014). Resolution of the Supervisory Board No. 153/VII/2014 regarding the evaluation of the motion of the Management Board concerning the allocation of the net profit of CIECH S.A. for the financial year 2013 was not adopted, because it did not receive the required majority of votes.

As a result of the conducted evaluation, the Supervisory Board recommended to the Ordinary General Meeting of CIECH S.A. the approval of the reports and statements specified in points 1-4.

Moreover, the Supervisory Board of CIECH S.A. recommended to the Ordinary Shareholders' Meeting of CIECH S.A. the granting of acknowledgement of fulfilment of duties to the following Members of the Management Board, serving their function in the financial year 2013:

- 1) Mr Dariusz Krawczyk for fulfilment of his duties of the President of the Management Board in the period from 1 January 2013 to 31 December 2013 (Resolution No. 154/VII/2014),
- 2) Mr Andrzej Kopeć for fulfilment of his duties of the Member of the Management Board in the period from 1 January 2013 to 31 December 2013, (Resolution No. 155/VII/2014),
- 3) Mr Artur Osuchowski for fulfilment of his duties of the Member of the Management Board in the period from 1 January 2013 to 31 December 2013 (Resolution No. 156/VII/2014),

ON-GOING SUPERVISION OF THE FINANCIAL SITUATION

As part of the supervision of the on-going activity of the Company, systematic analyses of the Supervisory Board extended to the financial situation and the results of the operating activity.

The basis for the analyses conducted by the Supervisory Board was the Financial Plan of CIECH S.A. for 2014 which received a positive opinion on 17 March 2014 (Resolution No. 143/VII/2014), previously adopted by the Management Board of CIECH S.A. by means of Resolution No. 7/2014 of 24 January 2014.

IN ADDITION, IN 2014, THE SUPERVISORY BOARD OF CIECH S.A.:

- granted its consent for the conclusion of an agreement with Atos IT Services Sp. z o.o., with a registered office in Warsaw, for implementation of an integrated IT system of ERP class of the SAP company at the CIECH Group and purchase of the necessary licenses (Resolution No. 148/VII/2014);
- granted its consent to the granting to Soda Polska CIECH S.A. of loan promises which will be used to cover additional costs connected with implementation of projects entitled: "Extension of the decantation and filtration of post-distillation sludge at the Inowroclaw Plant" and entitled: "Innovativeness of soda ash carbonization and baking soda crystallization processes" (Resolution No. 147/VII/2014);
- granted its consent to the conclusion with Pekao Faktoring Sp. z o.o. of a factoring agreement (factoring without regress) for hedged commercial receivables of CIECH S.A. (Resolution No. 159/VII/2014);
- granted its consent to the granting to Soda Polska CIECH S.A. of a loan promise which will be used to cover costs connected with implementation of the project entitled: "Intensification of soda production by 200 thousand tonnes / year" (Resolution No. 163/VII/2014);
- granted its consent to the financing for Janikosoda S.A. to the equivalent of RON 30,000,000 in connection with the anticipated take over by Janikosoda S.A. of newly-issued public shares of US Govora S.A. (Resolution No. 6/VII/2014);
- granted its positive opinion to an amendment of the By-laws of the Company, as proposed by the Management Board and recommended to the Shareholders' Meeting of CIECH S.A. the adoption of the said amendments to the By-laws (Resolution No. 13/IX/2014).

INFORMATION CONCERNING THE ACTIVITY OF THE AUDIT COMMITTEE IN 2014

The scope of this information covers:

- information concerning the composition and tasks of the Audit Committee of the Supervisory Board of CIECH S.A. in 2014;
- discussion of the activity of the Audit Committee of the Supervisory Board of CIECH S.A. in 2014, including information about the issues discussed during meetings of the Committee.

INFORMATION CONCERNING THE COMPOSITION AND TASKS OF THE AUDIT COMMITTEE IN 2014

The Audit Committee of the Supervisory Board of CIECH S.A. was appointed by means of Resolution No. 57/IV/2005 of the Supervisory Board of CIECH S.A. of 16 February 2005.

The tasks of the Committee have been specified in the Rules and Regulations of the Audit Committee approved by means of Resolution No. 148/VI/2010 of the Supervisory Board of CIECH S.A. of 29 November 2010.

According to the Rules and Regulations, the tasks of the Audit Committee include, in particular:

- 1) monitoring of the financial reporting process,
- 2) monitoring of the internal control system effectiveness,
- 3) monitoring of the internal audit system effectiveness,
- 4) monitoring of the risk management system effectiveness,
- 5) monitoring of the performance of financial audit activities,
- 6) monitoring of independence of chartered accountant and the entity authorized to audit financial statements of the Company.

As of 1 January 2014, the Audit Committee, composed of:

- 1) Waldemar Maj - President of the Committee
- 2) Przemysław Cieszyński - Member of the Committee
- 3) Mariusz Obszyński - Member of the Committee
- 4) Sławomir Stelmasiak - Member of the Committee

On 2 June 2014, the Supervisory Board adopted Resolution No. 4/VIII/2014 regarding the determination of the personal composition of the Audit Committee of the Supervisory Board of CIECH S.A. of the eighth term, encompassing the following persons:

- 1) Waldemar Maj - President of the Committee
- 2) Mariusz Obszyński - Member of the Committee
- 3) Sławomir Stelmasiak - Member of the Committee

On the date of adoption by the Supervisory Board of Resolution No. 4/VIII/2014 regarding the determination of the personal composition of the Audit Committee of the Supervisory Board of CIECH S.A. of the ninth term, i.e. as of 10 July 2014, the Audit Committee is composed of the following persons:

- 1) Piotr Augustyniak
- 2) Maciej Tybura
- 3) Wojciech Stramski

During the meeting of the Supervisory Board on 26 August 2014, Members of the Audit Committee unanimously elected Mr Wojciech Stramski the Chairman of the Audit Committee of the Supervisory Board of CIECH S.A.

In view of resignation of Mr Maciej Tybura from the serving of the function in the Supervisory Board and appointment to the Management Board, on 30 October 2014, the Supervisory Board adopted a decision on appointment of Mr Artur Olech as Member of the Audit Committee.

As of 31 December 2014, the composition of the Audit Committee was as follows:

- 1) Wojciech Stramski - Chairman of the Committee
- 2) Piotr Augustyniak - Member of the Committee
- 3) Artur Olech - Member of the Committee

DISCUSSION OF THE ACTIVITY OF THE AUDIT COMMITTEE IN 2014

In 2014, 6 (six) meetings of the Audit Committee took place. The main issues handled by the Audit Committee in 2014 included:

Evaluation of the report on execution of the Financial Plan of CIECH S.A. and the CIECH Group for 2013

During the meeting on 17 March 2014, after reviewing the report, the Audit Committee accepted the report on execution of the Financial Plan of the CIECH Group and of CIECH S.A. for 2013 year 2013.

The Financial Plan of CIECH S.A. and of the CIECH Group for 2015-19

During the meeting of the Audit Committee on 26 August 2014, the Management Board of the Company presented a schedule and methodology of preparation of the Financial Plan of the CIECH Group and of CIECH S.A for 2015-19. On 28 November 2014, the Audit Committee was presented with the Financial Plan of the CIECH Group for 2015, covering, among others, key operational activities aimed at the implementation of strategic goals for 2015 and key projects in 2015.

Financial statement of CIECH S.A. and the CIECH Group

The object of the work of the Audit Committee was an analysis of both the annual and other periodic financial statements of CIECH S.A. and of the CIECH Group.

During the meeting on 17 March 2014, the Audit Committee reviewed:

- 1) The Unit Financial Statement of CIECH S.A. for the financial year 2013, including the report on the activity of CIECH S.A. for 2013,
- 2) The Consolidated Financial Statement of the CIECH Group for the financial year 2013, including the report on the activity of the CIECH Group for 2013.

After reviewing the statements and reports, the Audit Committee decided to recommend to the Supervisory Board of CIECH S.A. to grant a positive opinion to the report on the activity of CIECH S.A. for 2013, report on the activity of the CIECH Group for 2013, Unit Financial Statement of CIECH S.A. for the financial year 2013 and the Consolidated Financial Statement of the CIECH Group for the financial year 2013.

Co-operation with chartered accountant

The Audit Committee held meetings with the chartered accountant of CIECH S.A. - KPMG Audyt Sp. z o.o. sp. k., during which discussions were held regarding the scope of work connected with the audit of the unit financial statement of CIECH S.A. and the consolidated financial statement of the CIECH Group.

Members of the Audit Committee were informed about the progress of the work connected with the audit of financial statements.

Analysis of the letter of the chartered accountant to the Management Board of the Company

The Audit Committee reviewed the Letter to the Management Board of CIECH S.A. prepared by KPMG Audyt Sp. z o.o. Sp. k., discussing the issues to which the auditor paid attention during the conducted audit of the consolidated financial statement of the CIECH Group for the financial year ending on 31 December 2013, including the replies of the Management Board to the aforementioned issues.

Other issues

Moreover, the object of the work of the Audit Committee in 2014 included, among other things:

- review and adoption of initial annual evaluations of the internal control system and risk management system relevant for the Company,
- review of the execution of the internal control and audit plans in 2013,

- discussion of financial controlling reports of the CIECH Group,
- review of the main risks occurring in the CIECH Group.

INFORMATION REGARDING THE ACTIVITIES OF THE REMUNERATION COMMITTEE OF THE SUPERVISORY BOARD OF CIECH S.A. IN 2014

The scope of this report covers:

- Information concerning the composition and tasks of the Remuneration Committee in 2014.
- Discussion of the activity of the Remuneration Committee in 2014.

INFORMATION CONCERNING THE COMPOSITION AND TASKS OF THE REMUNERATION COMMITTEE

The Remuneration Committee was appointed by means of Resolution No. 66/IV/2005 of the Supervisory Board of CIECH S.A.

According to the Rules and Regulations of the Remuneration Committee, the main task of the Committee is to provide advice to the Supervisory Board regarding issues connected with the determination of rules and the value of remuneration of members of the Management Board of CIECH S.A., including, in particular:

- 1) presentation of proposals to the Supervisory Board regarding the rules of remuneration of members of the Management Board of CIECH S.A., which should take into account all forms of remuneration, in particular with regard to: regular remuneration, system of performance-based remuneration, pension and severance pay system,
- 2) presentation of proposals to the Supervisory Board regarding the value of remuneration of each member of the Management Board of CIECH S.A.,
- 3) presentation of the Supervisory Board with draft agreements regulating the serving of duties by members of the Management Board of CIECH S.A.,
- 4) discussion (with or without participation of the Management Board of the Company) of any problems or objections which may arise in issues connected with remuneration of members of the Management Board of CIECH S.A.,
- 5) consideration of all other issues which came to the attention of the Committee or the Supervisory Board,
- 6) notification of the Supervisory Board of any significant issues in the general context of the activity of the Committee.

As of 1 January 2014, the composition of the Remuneration Committee was as follows:

- 1) Arkadiusz Grabalski
- 2) Zygmunt Kwiatkowski

During the meeting on 10 July 2014, the Supervisory Board of CIECH S.A. adopted a Resolution on determination of a new composition of the Remuneration Committee of the Supervisory Board of CIECH S.A. of the ninth term, encompassing the following persons:

- 1) Tomasz Mikołajczak - Chairman of the Committee,
- 2) Mariusz Nowak - Member of the Committee

DISCUSSION OF THE ACTIVITIES OF THE REMUNERATION COMMITTEE

In 2014, the main topics of the work of the Committee included issues connected with:

- 1) development of recommendations for the Supervisory Board concerning the rules and conditions of remuneration of Members of the Management Board of CIECH S.A.;
- 2) development of recommendations for the Supervisory Board regarding special prizes granted to Members of the Management Board of the Company;
- 3) development of a draft amendment to contracts of employment of Members of the Management Board.

EVALUATION OF THE REPORT ON ACTIVITY OF CIECH S.A. IN 2014 AND OF THE UNIT FINANCIAL STATEMENT OF CIECH S.A. FOR 2014 WITH REGARD TO THEIR COMPLIANCE WITH THE BOOKS AND DOCUMENTS, AS WELL AS THE ACTUAL STATE OF AFFAIRS, AND EVALUATION OF THE MOTION OF THE MANAGEMENT BOARD OF CIECH S.A. CONCERNING THE ALLOCATION OF THE NET PROFIT OF THE COMPANY FOR 2014

Pursuant to Art. 382 § 3 of the Commercial Companies Code and § 21 section 2 point 1) of the By-laws of CIECH S.A., the Supervisory Board of CIECH S.A. evaluated the report on the activity of the Company for 2014 and the Unit Financial Statement of CIECH S.A. for 2014 with regard to their compliance with the books and documents, as well as with the actual state of affairs, and the motion of the Management Board of CIECH S.A. concerning distribution of the net profit of CIECH S.A. for 2014.

EVALUATION OF UNIT FINANCIAL STATEMENT OF THE COMPANY FOR 2014

Pursuant to Resolution No. 122/VII/2013 of 4 June 2013, the audit of the financial statement of CIECH S.A. for the financial year 2014 was conducted by KPMG Audyt Sp. z o.o. sp. k. (hereinafter also referred to as "the chartered accountant").

The representatives of the chartered accountant participated in selected meetings of the Supervisory Board and co-operated with the Audit Committee of the Supervisory Board on an on-going basis.

The Supervisory Board reviewed the opinion and report of the chartered accountant.

In the opinion of the chartered accountant, the Unit Financial Statement of CIECH S.A. presents, in a reliable and clear manner, the property and financial situation of the Company as of 31 December 2014, the financial result and the cash flow statements for the financial year ending on that date, it was drawn-up, in all relevant aspects, according to the International Financial Reporting Standards, is consistent with the provisions of law and provisions of the By-laws of the Company applicable to the text of the unit financial statement and was prepared on the basis of the accounting books which are duly kept in all relevant aspects.

On 26 May 2015, the Audit Committee recommended to the Supervisory Board of the Company the granting of a positive opinion to the Unit Financial Statement of CIECH S.A. for financial year 2014.

The Supervisory Board of CIECH S.A. decided that the aforementioned statement meets the requirements anticipated in the Law of 29 September 1994 on Accountancy (Journal of Laws of 2009, No. 152, item 1223, as amended), and during the meeting on 26 May 2015, it evaluated the statement and recommended to the Ordinary Shareholders' Meeting to approve the same.

EVALUATION OF THE REPORT ON THE ACTIVITY OF THE COMPANY IN 2014

The Supervisory Board reviewed the report on the activity of CIECH S.A. in 2014, including the opinion of the chartered accountant.

With reference to the report on the activity of CIECH S.A. in 2014, the chartered accountant stated that it takes into account, in all relevant aspects, the information referred to in Art. 49 of the Law on Accountancy and the Regulation of the Minister of Finance of 19 February 2009 regarding current and periodic information delivered by issuers of securities and on conditions of recognition of information required under non-member state law regulations as equivalent (Journal of Laws of 2009, No. 33, item 259, as amended) and it is consistent with the information contained in the unit financial statement.

On 26 May 2015, the Audit Committee of the Supervisory Board of CIECH S.A. recommended the Supervisory Board the presentation to the Ordinary Shareholders' Meeting of CIECH S.A. of a positive opinion regarding the approval of the aforementioned statement.

The Supervisory Board of CIECH S.A. decided that the report on the activity of CIECH S.A. for the financial year 2014 meets the requirements anticipated in the Law of 29 September 1994 on Accountancy (Journal of Laws of 2009, No. 152, item 1223, as amended) and that it is complete, as defined in Art. 49 section 2 of the Law on Accountancy and Regulation of the Minister of Finance of 19 February 2009 regarding current and periodic information delivered by issuers of securities and on conditions of recognition of information required under non-member state law regulations as equivalent, and that the information contained therein, coming from an audited financial statement is consistent therewith. The Supervisory Board, during the meeting on 26 May 2015, evaluated the statement and recommended the Ordinary Shareholders' Meeting to approve the same.

MOTION OF THE MANAGEMENT BOARD OF CIECH S.A. REGARDING DISTRIBUTION OF THE NET PROFIT OF CIECH S.A. FOR 2014

The Supervisory Board of CIECH S.A., upon reviewing the proposal submitted by the Management Board with regard to the distribution of the net profit of CIECH S.A., generated by the Company in 2014, to the value of PLN 92,128,904.38 (ninety-two million one hundred twenty-eight thousand nine hundred and four and 38/100) - shall be allocated in full to the supplementary capital of the Company - and, upon the financial analysis of the Company, recommends the Shareholders' Meeting of CIECH S.A. to pay a dividend, leaving it at a discretion of the Shareholders' Meeting of CIECH S.A. to take a decision regarding the value of the paid dividend.

EVALUATION OF THE REPORT ON THE ACTIVITY OF THE CIECH GROUP IN 2014 AND THE CONSOLIDATED FINANCIAL STATEMENT OF THE CIECH GROUP FOR 2014

Pursuant to Art. 382 § 3, with reference to Art. 395 § 5 of the Commercial Companies Code and § 21 section 2 point 1) of the By-laws of CIECH S.A., the Supervisory Board of CIECH S.A. performed an evaluation of the report on activity

of the Ciech Group for 2014 and the Consolidated Financial Statement of the Ciech Group for 2014 with regard to their compliance with books and documents, as well as with the actual state of affairs.

EVALUATION OF THE CONSOLIDATED FINANCIAL STATEMENT OF THE CIECH GROUP FOR 2014

Pursuant to Resolution No. 122/VII/2013 of 4 June 2013, the audit of the consolidated financial statement of the CIECH Group for the financial year 2014 was conducted by KPMG Audyt Sp. z o.o. sp. k., with a registered office in Warsaw.

The Supervisory Board reviewed the opinion and report of the chartered accountant. In the opinion of the chartered accountant, the audited consolidated financial statement of the CIECH Group for 2014 presents, in a reliable and clear manner, the property and financial situation of the CIECH Group as of 31 December 2014, the financial result and the cash flow statements for the financial year ending on that date, was prepared, in all relevant aspects, according to the International Financial Reporting Standards, and is consistent with the provisions of law binding the CIECH Group and affecting the text of the consolidated financial statement.

On 26 May 2015, the Audit Committee of the Supervisory Board of CIECH S.A. granted a positive evaluation to the Consolidated Financial Statement of CIECH for the financial year 2014 and recommended the Supervisory Board the granting of a positive opinion thereon.

The Supervisory Board decided that the aforementioned statement meets the requirements anticipated in the Law of 29 September 1994 on Accountancy (Journal of Laws of 2009, No. 152, item 1223, as amended), and during the meeting on 26 May 2015, it evaluated the statement and recommended to the Ordinary Shareholders' Meeting to approve the same.

EVALUATION OF THE REPORT ON THE ACTIVITY OF THE CIECH GROUP IN 2014

The Supervisory Board reviewed the report on the activity of the CIECH Group in 2014, including the opinion of the chartered accountant.

With reference to the report on the activity of the CIECH Group in 2014, the chartered accountant stated that it takes into account, in all relevant aspects, the information referred to in Art. 49 of the Law on Accountancy and the Regulation of the Minister of Finance of 19 February 2009 regarding current and periodic information delivered by issuers of securities and on conditions of recognition of information required under non-member state law regulations as equivalent (Journal of Laws of 2009, No. 33, item 259, as amended) and it is consistent with the information contained in the consolidated financial statement.

On 26 May 2015, the Audit Committee of the Supervisory Board of CIECH S.A. recommended the Supervisory Board to grant a positive opinion regarding the report on the activity of the CIECH Group in 2014.

The Supervisory Board decided that the report on the activity of the CIECH Group for 2014 meets the requirements anticipated in the Law of 29 September 1994

on Accountancy (Journal of Laws of 2009, No. 152, item 1223, as amended), and during the meeting on 26 May 2015, it evaluated the statement and recommended to the Ordinary Shareholders' Meeting to approve the same.

RECOMMENDATIONS FOR THE ORDINARY SHAREHOLDERS' MEETING OF CIECH S.A.

The evaluation conducted by the Supervisory Board of the Unit Financial Statement of CIECH S.A. for 2014 and of the report on the activity of the Company in 2014 allows to conclude that the information contained in those documents is consistent with the accounting books and i documents, as well as the actual state of affairs, and their contents is consistent.

The report on the activity of the Company for 2014 presents, in a reliable and clear manner, all the relevant aspects of the activity of the Company and information relevant for the evaluation of its property and financial situation.

The Supervisory Board of CIECH S.A., upon reviewing the text of the submitted Consolidated Financial Statement of the CIECH Group for 2014 and the report on the activity of the CIECH Group for 2014, decided that those statements and reports are coherent and are in compliance with the books and documents made available within the limits of competence of the Supervisory Board of CIECH S.A. and present all relevant aspects of the activity of the CIECH Group, according to the actual state of affairs.

Taking the foregoing into account, the Supervisory Board of CIECH S.A. recommends to the Ordinary Shareholders' Meeting of CIECH S.A. to approve:

- 1) the Unit Financial Statement of CIECH S.A. for 2014,***
- 2) the report on the activity of the Company for 2014,***
- 3) the Consolidated Financial Statement of the CIECH Group for 2014,***
- 4) the report on the activity of the CIECH Group for 2014.***

At the same time, the Supervisory Board applies for the adoption by the Ordinary Shareholders' Meeting of CIECH S.A. of a resolution regarding the payment of a dividend, leaving it at the discretion of the Shareholders' Meeting of CIECH S.A. to decide about the value of the paid dividend.

Moreover, the Supervisory Board of CIECH S.A. recommends to the Ordinary Shareholders' Meeting of CIECH S.A. the granting of acknowledgement of fulfilment of duties to the following Members of the Management Board of CIECH S.A. serving their duties in the financial year 2014:

- 1) Mr Dariusz Krawczyk for fulfilment of his duties of the President of the Management Board in the period from 01 January 2014 to 31 December 2014,***
- 2) Mr Artur Osuchowski for fulfilment of his duties of the Member of the Management Board in the period from 1 January 2014 to 31 December 2014,***
- 3) Mr Andrzej Kopeć for fulfilment of his duties of the Member of the Management Board in the period from 1 January 2014 to 7 July 2014,***
- 4) Mr Maciej Tybura for fulfilment of his duties of the Member of the Management Board in the period from 13 October 2014 to 31 December 2014.***