

Report

on the competition organised by CIECH S.A.'s Supervisory Board for the post of the President of CIECH S.A.'s Management Board, Member of CIECH S.A.'s Management Board responsible for finances and Member of CIECH S.A.'s Management Board responsible for restructuring

On 27 April 2012, in connection with Resolution No. 8 of CIECH S.A.'s Extraordinary General Meeting held on 26 April 2012, in which the Supervisory Board was authorised to initiate and organise a competition for Management Board member(s) and to present the results of the competition to the General Meeting, the Supervisory Board held a meeting during which it passed *Resolution No. 50/VII/2012 on initiating and organising a competition for the post of Management Board Members and presenting the results of the competition procedure to the General Meeting.*

The competition procedure was conducted according to the rules specified in the *Announcement of the qualification procedure for the following posts: President of CIECH S.A.'s Management Board, Member of CIECH S.A.'s Management Board responsible for finances and Member of CIECH S.A.'s Management Board responsible for restructuring, which forms Annex 1 to these Minutes.*

The announcement was published on 30 April 2012 in the daily Rzeczpospolita and on 27 April 2012 on the Company's corporate website.

The tendering deadline was 15 May 2012. The tenders were to be submitted to the Company's office, ul. Puławska 182, in the Secretary's Office of the Management Board.

By 15 May 2012, 36 (thirty-six) tenders were received,

On 27 April 2012, the Supervisory Board authorised the Remuneration Committee to open the envelopes and review the tenders for compliance with the formal requirements specified in the said *Announcement.*

As a result of the review of the tenders, the Remuneration Committee confirmed that a total of 36 (in words: thirty-six) tenders were submitted, and 7 tenders were for more than one post in the Company's Management Board.

Tenders submitted:

- 1) for the post of the President of CIECH S.A.'s Management Board: 7 (seven) tenders,
- 2) for the post of a Member of CIECH S.A.'s Management Board responsible for restructuring: 21 (twenty-one) tenders,
- 3) for the post of a Member of CIECH S.A.'s Management Board responsible for finances: 15 (fifteen) tenders.

During the Supervisory Board's meeting on 18 May 2012, the Supervisory Board reviewed all of the submitted tenders and confirmed that 7 (seven) tenders contained formal errors and would not be admitted to the next stage of the procedure.

Next, the Supervisory Board passed *Resolution No. 54/VII/2012 on admitting candidates to the next stage of the competition procedure for the post of the President of CIECH S.A.'s Management Board, Member of CIECH S.A.'s Management Board responsible for finances and Member of CIECH S.A.'s Management Board responsible for restructuring.*

During the two-day meeting of the Supervisory Board on 24 and 25 May 2012, on the first day of the meeting (24 May 2012), CIECH S.A.'s Supervisory Board examined the candidates' presentations.

On 25 May 2012, CIECH S.A.'s Supervisory Board conducted additional job interviews with selected candidates.

Based on the candidates' assessment, the Supervisory Board passed the following resolutions:

Resolution No. 55/VII/2012 on the recommendation for the Extraordinary General Meeting concerning the candidacy for the post of the President of the Management Board.

The above *Resolution* forms *Annex 2* to these Minutes.

Resolution No. 58/VII/2012 on the recommendation for the Extraordinary General Meeting concerning the candidacy for the post of the Member of the Management Board responsible for finances.

The above *Resolution* forms *Annex 3* to these Minutes.

The Supervisory Board decided not to recommend any candidate for the post of the Member of CIECH S.A.'s Management Board responsible

for restructuring and proposed to the General Meeting to give this function to the candidate recommended for the post of the President of CIECH S.A.'s Management Board.

The above *Resolution* forms *Annex 4* to these Minutes.

CHAIRWOMAN OF CIECH S.A.'S SUPERVISORY BOARD:

A handwritten signature in dark ink, appearing to read "Krzysztofina", is written over the printed title. The signature is cursive and somewhat stylized.