

**RESOLUTION No 101/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on assessment of the Report on operations of CIECH SA for 2012

Acting pursuant to Article 382 § 3 of the Commercial Companies Code, § 21 section 2 item 1 of the Articles of Association of CIECH SA and § 3 section 2 item 1 of the Regulations of the Supervisory Board of CIECH SA, the Supervisory Board resolves as follows:

§1

1. The Supervisory Board of CIECH SA assessed the *Report on operations of CIECH SA for 2012* and concluded that the *Report on operations of CIECH SA for 2012* presented exhaustively the functioning of the Company in 2012 and that it was consistent with the financial data included in the *Separate Financial Statements of CIECH SA for the financial year 2012* and that it met the requirements stipulated in the Accounting Act of 29 September 1994 (Journal of Laws of 2009, No 152, item 1223 as amended).
2. The *Report on operations of CIECH SA for 2012* is attached hereto.

§2

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to approve the *Report* referred to in § 1 hereof.

§3

The resolution comes into effect upon adoption.

The voting was conducted by open/secret ballot.

Attending members: 8

Number of votes cast "in favour": 8 Number of votes cast "against": 0 Number of "abstaining" votes: 0

Signatures of Board members:

1. Ewa Si brecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak



**RESOLUTION No 102/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on the assessment of the Separate Financial Statements of CIECH SA for the financial year 2012

Acting pursuant to Article 382 § 3 of the Commercial Companies Code, § 21 section 2 item 1 of the Articles of Association of CIECH SA and § 3 section 2 item 1 of the Regulations of the Supervisory Board of CIECH SA, the Supervisory Board resolves as follows:

§1

1. The Supervisory Board of CIECH SA evaluated the *Separate Financial Statements of CIECH SA for the financial year 2012* comprising:
 - a statement of financial position as at 31 December 2012, presenting the total balance of assets of liabilities in the amount of PLN 2,665,988 thousand (in words: two billion six hundred sixty-five million nine hundred eighty-eight thousand zloty);
 - the profit and loss account for the period from 1 January 2012 to 31 December 2012 showing a net loss of PLN 484,776 thousand (in words: four hundred eighty-four million seven hundred seventy-six thousand zloty);
 - the statement of comprehensive income for the period from 1 January 2012 to 31 December 2012, showing a negative comprehensive income totalling at PLN 484,776 thousands (in words: four hundred eighty-four million seven hundred seventy-six thousand zloty);
 - a statement of changes in equity for the period from 1 January 2012 to 31 December 2012, presenting a decrease in equity in the amount of PLN 485,063 thousand (in words: four hundred eighty-five million sixty-three thousand zloty);
 - a cash flow statement for the period from 1 January 2012 to 31 December 2012, presenting an increase in cash by the amount of PLN 16,827 thousand (in words: sixteen million eight hundred twenty-seven thousand zloty);
 - notes providing information on the adopted accounting policy and other explanatory information.
2. The Supervisory Board read the *Separate Financial Statements of CIECH SA for the financial year 2012* together with the opinion of the statutory auditor and the report on the audit drawn up by KPMG Audyt Sp. z o.o. In the opinion of the statutory auditor the statements present in an accurate and clear manner all the information of material importance for the evaluation of the economic and financial situation of CIECH SA as at 31 December 2012 as well as its financial result for the financial year 2012.
3. The *Separate Financial Statements of CIECH SA for the financial year 2012* are attached hereto.

§2

The Supervisory Board of CIECH SA concluded that the *Separate Financial Statements of CIECH SA for the financial year 2012* was drawn up in accordance with the books and documents as well as with the facts and that they met the requirements stipulated in the Accounting Act of 29 September 1994 (Journal of Laws of 2009, No 152, item 1223 as amended).

§3

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to approve the *Separate Financial Statements* referred to in § 1 hereof.

§4



The resolution comes into effect upon adoption.

The voting was conducted by open/secret ballot.

Attending members: 8

Number of votes cast “in favour”: 8
votes: 0

Number of votes cast “against”: 0 Number of “abstaining”

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak

**RESOLUTION No 103/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on assessment of the Report on operations of the Ciech Group for 2012

Acting pursuant to Article 382 § 3 of the Commercial Companies Code, § 21 section 2 item 1 of the Articles of Association of CIECH SA and § 3 section 2 item 1 of the Regulations of the Supervisory Board of CIECH SA, the Supervisory Board resolves as follows:

§1

1. The Supervisory Board of CIECH SA assessed the *Report on operations of the Ciech Group for 2012* and concluded that the *Report on operations of the Ciech Group for 2012* presented exhaustively the functioning of the Company in 2012 and that it was consistent with the financial data included in the *Consolidated Financial Statements of the Ciech Group for the financial year 2012* and that it met the requirements stipulated in the Accounting Act of 29 September 1994 (Journal of Laws of 2009, No 152, item 1223 as amended).
2. The *Report on operations of the Ciech Group for 2012* is attached hereto.

§2

The Supervisory Board recommends to the Annual Shareholders' Meeting of CIECH SA to approve the *Report* referred to in § 1 hereof.

§3

The resolution comes into effect upon adoption.

The voting was conducted by open/secret ballot.

Attending members: 8

Number of votes cast "in favour": 8 Number of votes cast "against": 0 Number of "abstaining" votes: 0

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak



**RESOLUTION No 104/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on the assessment of the Consolidated Financial Statements of the Ciech Group for the financial year 2012

Acting pursuant to Article 382 § 3 of the Commercial Companies Code, § 21 section 2 item 1 of the Articles of Association of CIECH SA and § 3 section 2 item 1 of the Regulations of the Supervisory Board of CIECH SA, the Supervisory Board resolves as follows:

§1

1. The Supervisory Board of CIECH SA assessed the *Consolidated Financial Statements of the Ciech Group for the financial year 2012* comprising:
 - a consolidated statement of financial position as at 31 December 2012, presenting the total balance of assets of liabilities in the amount of PLN 3,728,035 thousand (in words: three billion seven hundred twenty-eight million thirty-five thousand zloty);
 - a consolidated profit and loss account for the period from 1 January 2012 to 31 December 2012, presenting net loss in the amount of PLN 437,711 thousand (in words: four hundred thirty-seven million seven hundred eleven thousand zloty);
 - a consolidated statement of comprehensive income for the period from 1 January 2012 to 31 December 2012, presenting positive comprehensive income totalling at PLN -434,602 thousands (in words: minus four hundred thirty-four million six hundred two thousand zloty);
 - a consolidated statement of changes in equity for the period from 1 January 2012 to 31 December 2012, presenting a decrease in equity in the amount of PLN 434,943 thousand (in words: four hundred thirty-four million nine hundred forty-three thousand zloty);
 - the consolidated cash flow statement for the period from 1 January 2012 to 31 December 2012, presenting a decrease in cash by the amount of PLN 57,178 thousand (in words: fifty-seven million one hundred seventy-eight thousand zloty);
 - notes providing information on the adopted accounting policy and other explanatory information.
2. The Supervisory Board read the *Consolidated Financial Statements of the Ciech Group for the financial year 2012* together with the opinion of the statutory auditor and the report on the audit drawn up by KPMG Audyt Sp. z o.o. In the opinion of the statutory auditor the statements present in an accurate and clear manner all the information of material importance for the evaluation of the economic and financial situation of the CIECH Group as at 31 December 2012 as well as its financial result for the financial year 2012.
3. The *Consolidated Financial Statements of the Ciech Group for the financial year 2012* are attached hereto.

§2

The Supervisory Board of CIECH SA concluded that the *Consolidated Financial Statements of the Ciech Group for the financial year 2012* was drawn up in accordance with the books and documents as well as with the facts and that they met the requirements stipulated in the Accounting Act of 29 September 1994 (Journal of Laws of 2009, No 152, item 1223 as amended).

§3

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to approve the *Consolidated Financial Statements of the Ciech Group* referred to in § 1 hereof.

The resolution comes into effect upon adoption.

The voting was conducted by open/secret ballot.

Attending members: 8

Number of votes cast “in favour”: 8 Number of votes cast “against”: 0 Number of “abstaining” votes: 0

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak

**RESOLUTION No 105/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on covering the loss of CIECH SA for the financial year 2012

Acting pursuant to Article 382 § 3 of the Commercial Companies Code, § 21 section 2 item 1 of the Articles of Association of CIECH SA and § 3 section 2 item 1 of the Regulations of the Supervisory Board of CIECH SA, the Supervisory Board resolves as follows:

§1

1. The Supervisory Board of CIECH SA evaluates positively the CIECH SA Management Board's motion expressed in the CIECH SA Management Board's resolution No 105/2013 of 19 April 2013, concerning the proposed covering of loss of CIECH SA for the financial year 2012 in the amount of PLN 484,776,191.69 (in words: four hundred eighty-four million seven hundred seventy-six thousand one hundred ninety-one zloty 69/100) from the Company's supplementary capital.
2. Resolution No 105/2013 of the Management Board of CIECH SA of 19 April 2013 on proposed coverage of loss of CIECH SA for the financial year 2012 is attached hereto.

§2

The Supervisory Board recommends to the Annual Shareholders' Meeting of CIECH SA to adopt the resolution on loss coverage, as referred to in § 1 section 1 hereof, in accordance with the proposal of the Company's Management Board expressed in Resolution No 105/2013 of the Management Board of CIECH SA of 19 April 2013, as referred to in § 1 section 2 hereof.

§3

The resolution comes into effect upon adoption.

The voting was conducted by open/secret ballot.

Attending members: 8

Number of votes cast "in favour": 8 Number of votes cast "against": 0 Number of "abstaining" votes: 0

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak



**RESOLUTION No 106/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on the approval of the Report of the Supervisory Board of CIECH SA on its activities in the financial year 2012, including a report on the results of the assessment of the Management Board's reports on operations of CIECH SA and the Ciech Group, financial statements of CIECH SA and the Ciech Group for the financial year 2012, and the Management Board's motion on covering the net loss of CIECH SA for the financial year 2012 from the Company's supplementary capital

Acting pursuant to Article 382 § 3 of the Commercial Companies Code, § 21 section 2 item 1 of the Articles of Association of CIECH SA and § 3 section 2 item 1 of the Regulations of the Supervisory Board of CIECH SA, the Supervisory Board resolves as follows:

§1

1. The Supervisory Board of CIECH SA approves the Report of the Supervisory Board of CIECH SA on its activities in the financial year 2012, including, among others, a report on the results of the assessment of reports on operations of CIECH SA and the CIECH Capital Group, financial statements of CIECH SA and the CIECH Capital Group for the financial year 2012, and the Management Board's motion on covering the loss of CIECH SA for 2012 from the Company's supplementary capital.
2. *The Report of the Supervisory Board of CIECH SA on its activities in the financial year 2012 forms an appendix to this Resolution.*

§2

The Supervisory Board submits to the Annual Shareholders' Meeting of CIECH SA the Report referred to in § 1 of this Resolution and requests its approval.

§3

The resolution comes into effect upon adoption.

The voting was conducted by open/secret ballot.

Attending members: 8

Number of votes cast "in favour": 8 Number of votes cast "against": 0 Number of "abstaining" votes: 0

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak



***REPORT ON THE ACTIVITIES
OF THE SUPERVISORY BOARD
OF CIECH SA***

in the financial year 2012

Warsaw, 26 April 2013

The Supervisory Board of CIECH SA submits a report on its activities in the financial year 2012 comprising a report on the evaluation of the Report on operations of CIECH SA for 2012, the Financial Statements of CIECH SA for 2012, the Report on operations of the Ciech Group for 2012 and the Consolidated Financial Statements of the Ciech Group for 2012, as referred to in Article 382 § 3 of the Commercial Companies Code.

This report covers:

- **Information on the composition of the Supervisory Board of CIECH SA in 2012.**
- **Discussion of the activities of CIECH SA's Supervisory Board from 1 January 2012 to 31 December 2012, including information on issues discussed during the Supervisory Board's meetings;**
- **Information on the activities of the Audit Committee of CIECH SA's Supervisory Board in 2012;**
- **Information on the activities of the Remuneration Committee of CIECH SA's Supervisory Board in 2012;**
- **An evaluation of the Management Report for the financial year 2012 and the separate statements of the Company for the financial year 2012 in terms of their compliance with books and documents as well as the facts, and of the CIECH SA Management Board's motion on covering the net loss of CIECH SA for 2012 from the Company's supplementary capital.**
- **An evaluation of the Report on the Ciech Group's activities for the financial year 2012 as well as the consolidated financial statements of the Ciech Group for the financial year 2012 in terms of their compliance with books and documents as well as the facts.**
- **Recommendations for the Annual Shareholders' Meeting of CIECH SA**

INFORMATION ON THE COMPOSITION OF THE SUPERVISORY BOARD OF CIECH SA IN 2012

Composition of the Supervisory Board as at 1 January 2012:

1. Ewa Sibrecht-Ońska – Chairwoman of the Supervisory Board
2. Przemysław Cieszyński – Vice-Chairman of the Supervisory Board
3. Krzysztof Salwach – Secretary of the Supervisory Board
4. Arkadiusz Grabalski – Member of the Supervisory Board
5. Jacek Goszczyński – Member of the Supervisory Board
6. Waldemar Maj – Member of the Supervisory Board
7. Sławomir Stelmasiak – Member of the Supervisory Board

On 19 January 2012, the Extraordinary General Meeting of CIECH SA changed the composition of the Company's Supervisory Board by dismissing Jacek Goszczyński and Krzysztof Salwach and by appointing Dariusz Krawczyk and Mariusz Obszyński.

As a result, as of 19 January 2012, the Supervisory Board was composed of:

1. Ewa Sibrecht-Ońska – Chairwoman of the Supervisory Board
2. Przemysław Cieszyński – Vice-Chairman of the Supervisory Board
3. Mariusz Obszyński – Member of the Supervisory Board
4. Arkadiusz Grabalski – Member of the Supervisory Board
5. Dariusz Krawczyk – Member of the Supervisory Board
6. Waldemar Maj – Member of the Supervisory Board
7. Sławomir Stelmasiak – Member of the Supervisory Board

On 8 February 2012, the Supervisory Board appointed Mariusz Obszyński as the Secretary of the Supervisory Board.

On 26 April 2012, the Extraordinary General Meeting appointed Zygmunt Kwiatkowski and Maciej Lipiec to sit in the Supervisory Board. As a result, the composition of the Supervisory Board was as follows:

1. Ewa Sibrecht-Ośka – Chairwoman of the Supervisory Board
2. Przemysław Cieszyński – Vice-Chairman of the Supervisory Board
3. Mariusz Obszyński – Secretary of the Supervisory Board,
4. Arkadiusz Grabalski – Member of the Supervisory Board
5. Dariusz Krawczyk – Member of the Supervisory Board
6. Zygmunt Kwiatkowski – Member of the Supervisory Board
7. Maciej Lipiec – Member of the Supervisory Board
8. Waldemar Maj – Member of the Supervisory Board
9. Sławomir Stelmasiak – Member of the Supervisory Board

As a result of dismissing on 26 April 2012 of three members from the Management Board: Mr Ryszard Kunicki, Mr Andrzej Bąbaś and Mr Rafał Rybkowski, on 27 April 2012, the Supervisory Board delegated Dariusz Krawczyk, Member of the Supervisory Board, as an interim President of the Management Board, and delegated Maciej Lipiec, Member of the Supervisory Board, as an interim Member of the Management Board until the General Meeting supplements the Company's Management Board to meet the minimum required number of members, as specified in the Articles of Association.

On 28 May 2012, Dariusz Krawczyk resigned from his post of CIECH SA's Supervisory Board Member and was appointed to sit in the Management Board. As a result, the composition of the Supervisory Board was as follows:

1. Ewa Sibrecht-Ośka – Chairwoman of the Supervisory Board
2. Przemysław Cieszyński – Vice-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

As at 31 December 2012 and on the preparation date of this Report, the Supervisory Board's composition was the same as on 28 May 2012.

In 2012, the following committees operated as part of CIECH SA's Supervisory Board: Audit Committee of the Supervisory Board of CIECH SA and Remuneration Committee of the Supervisory Board of CIECH SA

Information on the activities of the above committees is presented in the following sections of this report.

DISCUSSION OF THE ACTIVITIES OF CIECH SA'S SUPERVISORY BOARD FROM 1 JANUARY 2012 TO 31 DECEMBER 2012

In 2012, the Supervisory Board of CIECH SA held 19 meetings. All Supervisory Board meetings took place at the Company's registered office in Warsaw, ul. Puławska 182.

In 2012, the Supervisory Board of CIECH SA adopted 64 resolutions, of which 9 were adopted outside formal meetings of the Supervisory Board by voting using the written form, in accordance with § 22 section 2 of the Articles of Association of CIECH SA, and § 4 section 4 of the Regulations of CIECH SA's Supervisory Board.

Acting pursuant to § 21 section 1 of the Articles of Association of CIECH SA and § 3 section 1 of the Regulations of the Supervisory Board, CIECH SA's Supervisory Board constantly monitored the Company's activities.

Presented below are major topics which the Supervisory Board dealt with in the financial year 2012.

FINANCIAL PLAN FOR 2012

On 19 March 2012, by way of Resolution No 35/VII/2012, the Supervisory Board issued a positive opinion on the Financial Plan for CIECH SA for 2012 adopted by the Management Board of CIECH SA by way of Resolution No 32/2012 of 13 March 2012.

On the same day, by way of Resolution No 36A/II/2012, the Supervisory Board issued a positive opinion on the Financial Plan the Ciech Group for 2012 adopted by the Management Board of CIECH SA by way of Resolution No 33/2012 of 13 March 2012.

FINANCIAL PLAN FOR 2013

On 21 December 2012, by way of Resolution No 86/VII/2012, the Supervisory Board issued a positive opinion on the Financial Plan for 2013 adopted by the Management Board of CIECH SA by way of Resolution No 308/2012 of 14 December 2012.

On the same day, by way of Resolution No 87/VII/2012, the Supervisory Board issued a positive opinion on the Financial Plan the Ciech Group for 2013 adopted by the Management Board of CIECH SA by way of Resolution No 311/2012 of 14 December 2012.

PREPARATIONS FOR THE ANNUAL SHAREHOLDERS' MEETING OF CIECH SA ON 25 JUNE 2012

At the meeting held on 16 April 2012, the Supervisory Board evaluated:

- 1) Report on operations of CIECH SA for 2011 (Resolution No 37/VII/2012),
- 2) Separate financial statements of CIECH SA for the financial year 2011 (Resolution No 38/VII/2012),
- 3) Report on the operations of the Ciech Group for 2011 (Resolution No 39/VII/2012),
- 4) Consolidated financial statements for the financial year 2011 (Resolution No 40/VII/2012),
- 5) the CIECH SA Management Board's motion on the distribution of the net profit of CIECH SA for the financial year 2011 entirely for the Company's supplementary capital (Resolution No 41/VII/2012),

Following the evaluation, the Supervisory Board recommended to the Annual Shareholders' Meeting of CIECH SA to approve the above statements and to distribute the net profit of CIECH SA for the financial year 2011 entirely for the Company's supplementary capital, in particular having regard to the provisions of the Loan Agreement of 10 February 2011 in which CIECH SA undertook not to declare or pay out the divided until achieving an appropriately low level of the net debt ratio, as specified in the said agreement (Resolution No 52/VII/2012 of 18 May 2012).

Furthermore, the Supervisory Board of CIECH SA recommended to the Annual Shareholders' Meeting of CIECH SA to acknowledge the fulfilment of duties by the members of the Management Board in FY 2011:

- 1) Ryszard Kunicki, acknowledgement of the fulfilment of duties as the President of the Management Board in the period from 1 January 2011 to 31 December 2011 (Resolution No 42/VI/2012),
- 2) Andrzej Bąbaś, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 1 January 2011 to 31 December 2011 (Resolution No 43/VII/2012),
- 3) Artur Osuchowski, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 1 January 2011 to 31 December 2011 (Resolution No 44/VII/2012).
- 4) Rafał Rybkowski, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 1 January 2011 to 31 December 2011 (Resolution No 45/VII/2012),

APPOINTMENT OF A STATUTORY AUDITOR FOR 2012

On 24 May 2012, the Supervisory Board, exercising its statutory powers (§ 21 section 2 item 7) of the Articles of Association of CIECH SA and § 3 section 2 item 7 of the Regulations of the Supervisory Board, on the basis of a recommendation of the Audit Committee, appointed a statutory auditor to audit the Financial Statements of CIECH SA for the financial year 2012 and the Consolidated Financial Statements of the CIECH Capital Group for the financial year 2012 (Resolution No 57/VII/2012).

Both sets of statements were audited by KPMG Audyt Sp. z o.o.

SUPERVISION OVER FINANCIAL STANDING

As part of monitoring the Company's current operations, the Supervisory Board regularly analysed the Company's financial situation and operating results.

The Supervisory Board carried out analyses on the basis of the Financial Plan of CIECH SA for 2012, which received a positive opinion from the Supervisory Board on 19 March 2012 (Resolution No 35/VII/2012).

The financial results of CIECH SA were analysed during the meetings of the Supervisory Board in separate and consolidated terms. The Supervisory Board assessed the financial situation of the Company and of the Ciech Capital Group systematically. Operating results of the Company and selected companies of the Ciech Capital Group were presented, any issues arousing interest among the Board members were clarified.

MERGER OF COMPANIES CIECH SA, ZCH. SODA MAŁWY SA and JZS JANIKOSODA SA

Since 2011 works have been conducted in order to find a tax efficient method of merging CIECH SA with SODA MAŁWY SA and JANIKOSODA SA on which a positive opinion has been issued by the Supervisory Board of the Company. On the basis of initial results of analyses performed, on 21 February 2012 the Management Board decided to undertake further measures to ensure an optimal merger method. As a result of these works, a division plan was developed and presented at the meeting of the Supervisory Board on 24 September 2012. This plan involved the spin-off by separation that was to result in the incorporation with CIECH SA and the opportunity to achieve tax optimisation. To carry out the process in such way it became necessary to separate organised parts of both soda companies. Due to the necessity to increase share capital of CIECH SA as the acquiring company in the division of soda companies, pursuant to Article 530 § 2 of the Commercial Companies Code, a minority shareholder has been introduced. The Supervisory Board approved such manner of proceeding by issuing a positive opinion on a draft resolution of the Extraordinary General Meeting of

Shareholders concerning the division of Inowrocławskie Zakłady Chemiczne Soda Mątwy Spółka Akcyjna with its registered office in Warsaw and Janikowskie Zakłady Sodowe Janikosoda Spółka Akcyjna with its registered office in Warsaw. In connection with the division of SODA MĄTWY SA and JANIKOSODA SA and transfer of organised parts of SODA MĄTWY SA and JANIKOSODA SA, share capital of CIECH SA was increased by way of issuing 2 shares.

In January 2013, relevant changes were made in the register of entrepreneurs, including changes concerning the increase of share capital of CIECH SA, decrease of share capital of SODA MĄTWY SA and JANIKOSODA SA and registration of division of these companies.

The changes in the Ciech Group's structure were the last stage of the process of simplifying the process of managing the soda segment launched in 2007. These changes allow for achieving the business goal in the form of transferring shares of Soda Polska Ciech SA, a manufacturing company, to CIECH SA. They also give a notable result in the form of tax benefits of approx. PLN 60 million and allow the soda companies to carry on with their activities that support the functioning of Ciech Group.

On 13 December 2012, the Supervisory Board, acting pursuant to an authorisation resulting from a resolution of the Extraordinary General Meeting of Shareholders of 27 November 2012, compiled a consolidated text of the Articles of Association of CIECH SA that included amendments made by the aforesaid Meeting (Resolution No 84/VII/2012).

PURCHASE OF THE EXISTING BONDS

On the meeting of 19 November 2012, the Management Board submitted to the Supervisory Board a motion concerning the purchase by CIECH SA of bonds of the total value of PLN 300,000,000, issued by CIECH SA in December 2007 (the "Existing Bonds") from their holders before the maturity date thereof which allowed for the optimisation of financial costs of the Ciech Group, including the reduction of costs of issue of new bonds.

The Supervisory Board, acting pursuant to § 21 section 2 item 8) of the Articles of Association of CIECH SA, in its Resolution No. 83/VII/2012 of 19 November 2012, approved the following: 1) submission by CIECH SA to each holder of the Existing Bonds of offers to purchase the Existing Bonds in accordance with Article 25 section 1 of the Act on Bonds, with the aim of redemption, 2) conclusion of agreements for the purchase of the Existing Bonds with such bondholders, 3) conclusion of any other documents required to purchase the Existing Bonds by Ciech.

On 23 November 2012, CIECH SA submitted a proposal of early buyout of the Existing Bonds of the total nominal value of PLN 300,000,000 to all holders of the Existing Bonds.

On 6 December 2012, the Existing Bonds of the total nominal value amounting to PLN 285,000,000 were bought out early for redemption by CIECH SA. With the early buy-out CIECH SA commenced the procedure of redeeming A series bonds.

Other A series bonds which bond holders did not agree to sell prior to the maturity date were bought out on the maturity date, i.e. on 14 December 2012, in accordance with the terms and conditions of the issue of the Existing Bonds.

ISSUE OF NEW BONDS

On 28 November 2012 Ciech Group Financing AB (publ) issued secured bonds for the amount of EUR 245,000 thousand. The bonds were offered and sold in accordance with Rule 144 A and Regulation S of the US Securities Act.

On 5 December 2012, CIECH SA issued secured bearer bonds governed by the Polish law, denominated in PLN:

- ✓ series 01 with a total nominal value of PLN 160,000 thousand with the option allowing CIECH SA for early redemption of the bonds before their maturity date, i.e. after 18 and 42 months from the issue date, with maturity date on 5 December 2017;

- ✓ series 02 with a total nominal value of PLN 160,000 thousand without the option of early redemption of the bonds by CIECH SA, with maturity date on 5 December 2017;

On 6 December 2012 CIECH SA issued non-secured registered series W bonds, governed by Polish law, denominated in euro with maturity on 29 November 2019 which were acquired by CIECH Group Financing AB (public). Proceeds from the issue were allotted for the following among others:

- ✓ repayment of loans granted among others to Ciech SA under the loan agreement of 10 February 2011,
- ✓ repayment of loans granted to Sodawerk Stassfurt GmbH & Co. KG and Sodawerk Holding Stassfurt GmbH in accordance with the loan agreement of 23 January 2008.

Bonds denominated in EUR with the maturity date in 2019 issued by Ciech Group Financing AB (publ), a subsidiary of CIECH SA, have been admitted to trading on the Luxembourg Stock Exchange. The date of first listing of the Bonds was 19 December 2012.

The Supervisory Board discussed, gave its opinions concerning motions and expressed its consents concerning the issue of new bonds and adopted the following resolutions:

- Resolution No 64/VII/2012 of 2 August 2012 on an issue of secured bearer bonds to the maximum amount of PLN 500 million – issuing a positive opinion on the Management Board’s motion on the matter in question,
- Resolution No 65/VII/2012 of 2 August 2012 on an issue of secured bearer bonds to the maximum amount of PLN 300 million – issuing a positive opinion on the Management Board’s motion on the matter in question,
- Resolution No 78/VII/2012 of 30 October 2012 on an issue of bearer bonds to the maximum amount of PLN 300 million that will be issued by a subsidiary of CIECH SA, issue of bearer bonds to the maximum amount of PLN 500 million that will be issued by CIECH SA and taking up a working capital facility to the maximum amount of PLN 100 million by CIECH SA, as well as on the establishment of collaterals,
- Resolution No 79/VII/2012 of 30 October 2012 on the establishment of a registered pledge or pledges on a set of movable assets and property rights of CIECH SA – issuing a positive opinion on the Management Board’s motion on the matter in question,
- Resolution No 82/VII/2012 of 19 November 2012 on granting sureties or guarantees of the buyout of bearer bonds to the maximum amount of PLN 300 million that will be issued by a subsidiary of CIECH SA, as well as on the establishment of collaterals – complementing the consents given based on the previous resolution on the documentation that is to be signed within the High-Yield Bond Issue Programme.

RESTRUCTURING OF ZACHEM SA

In 2012, the Supervisory Board supervised, on an ongoing basis, issues related with the restructuring of ZACHEM SA, in particular:

- on 18 June, the Board read the project prepared by the Management Board concerning the restructuring of Zachem, including the possible scenarios, and pointed out to the necessity of conducting financial analyses that take into account the privatisation agreement of Zachem and its consequences, as well as requested the Management Board to notify the Supervisory Board on the details of actions taken,
- during its meetings on 25 June , 2 August and 10 August, the Board discussed with the Management Board individual scenarios of further actions (in particular connected with the deep restructuring and Project B), and requested the submission of additional reports and

analyses (including an executive summary, Cash Flow model, economical analysis, risk analysis, reports on the assumptions of TDI and TDA prices),

- during its meeting on 7 September, the Board discussed action scenarios together with a representative of the project advisor – Bain&Company,
- on 24 September, based on findings and conclusions of the report prepared by Bain&Company (the “Report”) the Supervisory Board decided that:
 - the implementation of the ZACHEM Deep Restructuring Plan, referred to in the Report as the so-called Scenario A, is impossible without ensuring funds by CIECH SA in an amount that exceeds the current and assumed abilities of CIECH SA and the Ciech Group,
 - due to the current and assumed situation in the TDI market, the execution of the Deep Restructuring Plan will not allow ZACHEM SA to achieve a position that may ensure a sustainable profitability,

as a result of which, the Board gave a negative opinion on that Plan (Resolution No 72/VII/2012).

- on 31 October, the Board adopted a Resolution No 80/VII/2012 on expressing the consent to conclude a Conditional Agreement “TDI Asset Sale and Transfer Agreement”,
- on 27 February 2013, the Board adopted a Resolution No 92/VII/2012 on expressing the consent to conclude Annexe No. 1 to the Conditional Agreement “TDI Asset Sale and Transfer Agreement”,

As a result of the negative opinion on the Deep Restructuring Plan, CIECH SA and ZACHEM SA concluded with BASF Polska Sp. z o.o. and BASF SE a conditional Agreement for Sale and Transfer of TDI Assets to BASF Polska sp. z o.o. On 11 March 2013, once all of the Agreement's conditions precedent have been satisfied, the parties finalised the transaction, as specified by the agreement, by concluding a final report confirming the assignment of the rights under the agreement to BASF Polska Sp. z o.o. as of 11 March 2013.

FURTHERMORE, IN 2012 THE SUPERVISORY BOARD OF CIECH SA:

- carried out a recruitment procedure as a result of which on 28 May 2012, upon the presenting of a recommendation, the EGM appointed the President of the Management Board and a member of the Management Board responsible for the area of finance,
- gave its consent to conclude an agreement for granting a surety for existing and future liabilities of ZCh ZACHEM SA towards PGE GiEK SA between CIECH SA, PGE GiEK SA and Oddział Zespołu Elektrociepłowni Bydgoszcz (Resolution No 75/VII/2012 of 2 October 2012),
- gave its consent to conclude an annexe to the loan agreement of 10 February 2011 (Resolution No 76/VII/2012 of 11 October 2012),
- gave its consent to conclude by CIECH SA Annexe No. 5 to the agreement regarding the sale of shares of ZACHEM SA of 29 March 2006 with the State Treasury together with the conclusion by ZACHEM SA of a settlement, the content of which constitutes Appendix No 2 to Annexe No 5 (Resolution No 77/VII/2012 of 11 October 2012),
- appointed KPMG Audyt Sp. z o.o. as the statutory auditor to audit the interim financial statements of the Ciech Group for the period from 1 January 2012 to 30 September 2012, containing also data for the period from 1 January 2011 to 30 September 2011 (Resolution No 81/VII/2012 of 31 October 2012),

- gave its consent to conclude an agreement for the lease of office space in IO-1 building at ul. Puławska 182 by CIECH SA with IO-1 Building Sp. z o.o. (Resolution No 85/VII/2012 of 21 December 2012),

INFORMATION ON THE ACTIVITIES OF THE AUDIT COMMITTEE OF CIECH SA'S SUPERVISORY BOARD IN 2012

This information includes:

- Information on the composition and tasks of the Audit Committee of CIECH SA's Supervisory Board in 2012.
- Discussion of the activities of the Audit Committee of CIECH SA's Supervisory Board in 2012, including information on issues discussed during the Committee's meetings.

INFORMATION ON THE COMPOSITION AND TASKS OF THE AUDIT COMMITTEE IN 2012

The Audit Committee of CIECH SA's Supervisory Board was appointed by way of Resolution No. 57/IV/2005 of CIECH SA's Supervisory Board dated 16 February 2005.

The Committee's responsibilities are specified in the Audit Committee's Regulations, which were approved by way of Resolution No. 148/IV/2010 of CIECH SA's Supervisory Board dated 29 November 2010.

Pursuant to the Audit Committee's Regulations, its tasks include:

- 1) monitoring financial reporting,
- 2) monitoring the efficiency of the internal control system,
- 3) monitoring the efficiency of the internal auditing system,
- 4) monitoring the efficiency of the risk management system,
- 5) monitoring the performance of financial review activities
- 6) monitoring the autonomy of the statutory auditor and the entity authorised to audit the Company's financial statements.

As of 1 January 2012, the Audit Committee was composed of:

- 1) Waldemar Maj – Committee Chairman (Committee member since 2 July 2010, Committee Chairman since 4 August 2010),
- 2) Przemysław Cieszyński – Committee Member (since 2 July 2010),
- 3) Krzysztof Salwach – Committee Member (since 2 July 2010)
- 4) Sławomir Stelmasiak – Committee Member (since 2 July 2010).

In connection with the dismissal of Krzysztof Salwach from the Company's Supervisory Board on 19 January 2012, the Supervisory Board supplemented the composition of the Audit Committee on 8 February 2012 by appointing Mr Mariusz Obszyński to the Committee (Resolution No 32/VII/2012).

As a result, as of 8 February 2012, the Audit Committee of CIECH SA's Supervisory Board was composed of:

- 1) Waldemar Maj – Chairman of the Committee,
- 2) Przemysław Cieszyński – Committee Member,
- 3) Mariusz Obszyński – Committee Member,

- 4) Sławomir Stelmasiak – Committee Member.

As at December 31st, 2012 and the day of compiling this Report, the composition of the Audit Committee was as described above.

ACTIVITIES OF THE AUDIT COMMITTEE IN 2012

In 2012, the Audit Committee of CIECH SA's Supervisory Board held 7 meetings at the Company's registered office in Warsaw, ul. Puławska 182.

In 2012, the major issues addressed by the Audit Committee were:

The financial plan of CIECH SA and the Ciech Capital Group

During the meeting held on 19 March 2012, the Audit Committee, having read the verified Financial Plan for 2012, decided to recommend the Supervisory Board of CIECH SA the adoption of the Financial Plan of CIECH SA for 2012 and the Financial Plan of the Ciech Group for 2012.

On the same day, the Supervisory Board issued a positive opinion on the Financial Plan of CIECH SA and Financial Plan of the Ciech Group for 2012 adopted by the Management Board of CIECH SA.

During the meeting held on 21 December 2012, the Audit Committee, having read the Financial Plan for 2013, decided to recommend the Supervisory Board the adoption of the Financial Plan of CIECH SA for 2013 and the Financial Plan of the Ciech Group for 2013.

The Supervisory Board issued positive opinions on the said financial plans for 2013 adopted by the Management Board.

The financial statements of CIECH SA and the Ciech Capital Group

The Audit Committee focused mainly on analysing CIECH SA's and the Ciech Capital Group's interim and annual financial statements.

The Audit Committee analysed:

- 1) the Report on operations of CIECH SA for 2011,
- 2) the Separate Financial Statements of CIECH SA for the financial year 2011,
- 3) Report on operations of the Ciech Group for 2011,
- 4) Consolidated Financial Statements for the financial year 2011

The Audit Committee presented to the Supervisory Board of CIECH SA a recommendation in the scope of issuing a positive opinion on approving these documents.

During the meeting on 16 April 2012, the Supervisory Board of CIECH SA, after examining the Audit Committee's recommendations, assessed the above documents and recommended to the Annual Shareholders' Meeting to express a positive opinion.

Distribution of profit of CIECH SA for 2011

The Management Board of CIECH SA, having regard to the provisions of the Loan Agreement of 10 February 2011, in which CIECH SA undertook not to declare or pay out the dividend until achieving an appropriately low level of the net debt ratio, as specified in the said agreement, requested the Annual Shareholders' Meeting of CIECH SA to distribute the net profit of CIECH SA for the financial year 2011, in the amount of PLN 351,175,695.21, entirely for the Company's supplementary capital and requested the Supervisory Board to issue an opinion on that motion.

The Audit Committee analysed the Company's Management Board's motion and recommended to the Supervisory Board to support it.

The Supervisory Board of CIECH SA, availing itself of the position of the Audit Committee, issued a positive opinion on the Management Board's motion at the meeting on 16 April 2012 and recommended the Annual Shareholders' Meeting to adopt a resolution on the distribution of profit in accordance with the Management Board's proposal.

Appointment of a statutory auditor

In connection with the CIECH SA's Supervisory Board appointment of a statutory auditor to audit CIECH SA's separate financial statements and the Ciech Capital Group's consolidated financial statements for 2012, the Audit Committee recommended to the Supervisory Board to appoint KPMG Audyt Sp. z o.o.

On 24 May 2012, the Supervisory Board, taking into consideration a recommendation of the Audit Committee, appointed KPMG Audyt Sp. z o.o. as the statutory auditor to audit the Financial Statements of CIECH SA for the financial year 2012 and Consolidated Financial Statements of the CIECH Capital Group for the financial year 2012 by way of Resolution No 57/VII/2012.

Cooperation with the statutory auditor

The Audit Committee held a number of meetings with CIECH SA's auditor, KPMG Audyt Sp. z o.o., during which they discussed the audit of CIECH SA's separate financial statements and the Ciech Group's consolidated financial statements.

Key financial and accounting issues in the companies of the CIECH Group were analysed.

All matters raising doubts that were brought up during the process of auditing the financial statements were discussed and clarified with the statutory auditor.

The Audit Committee members were kept up-to-date about the progress of the financial statements' audit.

Analysis of the statutory auditor's letter to the Management Board

The Audit Committee analysed, together with representatives of statutory auditors, the "Letter to the Management Board" for 2011 prepared by them.

Restructuring of Z.Ch. ZACHEM SA

The Audit Committee analysed the results of works of advisors in the process of restructuring Z.Ch. ZACHEM SA – PricewaterhouseCoopers Sp. z o.o. and Bain&Company, discussed the restructuring plan and presented recommendations concerning the presented scenarios.

Other issues:

In addition, the Audit Committee worked on the following in 2012:

- development and adoption of the Audit Committee Work Plan for 2012 and 2013,
- reviewing significant agreements and transactions with associates,
- reviewing and adoption of initial annual assessments of the internal control system and the system of managing risk material to the Company,
- reviewing current situation of the Company and main risks connected with liquidity,
- reviewing main risks occurring in the Ciech Group.

INFORMATION ON THE ACTIVITIES OF THE REMUNERATION COMMITTEE OF CIECH SA'S SUPERVISORY BOARD IN 2012

This report covers:

- Information on the composition and tasks of the Remuneration Committee in 2012.
- Discussion of the activities of the Remuneration Committee in 2012.

INFORMATION ON THE COMPOSITION AND TASKS OF THE REMUNERATION COMMITTEE

The Remuneration Committee was appointed by way of Resolution No. 66/IV/2005 of CIECH SA's Supervisory Board.

According to the Regulations of the Remuneration Committee, the main task of the Committee is to advise the Supervisory Board on issues related to defining the remuneration rules and amounts for the Members of the Management Board of CIECH SA, in particular:

- 1) presenting the Supervisory Board with proposals in the scope of the principles of remuneration for Company Board members of CIECH SA, which should account for all forms of remuneration, in particular as regards: base remuneration, remuneration system based on results, retirement system and severance payments;
- 2) presenting to the Supervisory Board a proposal concerning the amount of remuneration for every Member of the Management Board of CIECH SA,
- 3) presenting to the Management Board draft agreements regulating the duties of the Members of CIECH SA's Management Board,
- 4) discussing (with or without the participation of the Company's Management Board) any problems or doubts which may arise in relation to remunerating the Members of the Management Board of CIECH SA,
- 5) considering any other issues of interest to the Committee or the Supervisory Board,
- 6) informing the Supervisory Board about all material issues within the Committee's responsibilities.

As at 1 January 2012, the Remuneration Committee was composed of:

1. Jacek Goszczyński (since 2 July 2010),
2. Arkadiusz Grabalski (since 2 July 2010).

In connection with the dismissal of Jacek Goszczyński from the Company's Supervisory Board on 19 January 2012, the Supervisory Board supplemented the composition of the Remuneration Committee on 8 February 2012 by appointing Mr Dariusz Krawczyk to the Committee (Resolution No 33/VII/2012).

Therefore, as of 8 February 2012 the Remuneration Committee was composed of:

1. Arkadiusz Grabalski,
2. Dariusz Krawczyk.

In connection with the appointment of Jacek Goszczyński to the Supervisory Board on 26 April 2012, the Supervisory Board supplemented the composition of the Remuneration Committee on 14 May 2012 by appointing Mr Jacek Goszczyński to the Committee.

In connection with the delegation on 27 April 2012 of Mr Dariusz Krawczyk to act temporarily as President of the Management Board (Resolution No 46/VII/2012), and his subsequent appointment on

28 May 2012 to the Management Board of the Company, Mr Dariusz Krawczyk ceased to be a member of the Remuneration Committee.

Due to the above changes, as of 28 May 2012, the Remuneration Committee was composed of:

1. Arkadiusz Grabalski,
2. Zygmunt Kwiatkowski.

By 31 December 2012, the composition of the Committee remained unchanged.

As at the date of this Report, the Remuneration Committee is composed of:

1. Zygmunt Kwiatkowski,
2. Arkadiusz Grabalski.

ACTIVITIES OF THE REMUNERATION COMMITTEE

During its meetings, the Committee discussed and worked on the following:

- 1) discussing the practical problems of applying the “Regulations of awarding task bonuses to the Management Board of CIECH SA” in the context of expectations of the Management Board and the Remuneration Committee concerning the incentive nature of the Regulations and the quality and the level of detail of materials submitted to the Supervisory Board by the Management Board in connection with the Regulations,
- 2) drawing up a recommendation for the Supervisory Board on the task bonus for Q4, 2011,
- 3) drawing up recommendations concerning awarding task bonuses to the Management Board of CIECH SA,
- 4) preparing the direction for amendments to the Regulations of awarding task bonuses to the Management Board of CIECH SA in order to eliminate ineffective solutions included in the “Regulations of awarding task bonuses to the Management Board of CIECH SA”,
- 5) drawing up a project of changes in work contracts signed with the members of the Management Board in connection with the repeal of the “Regulations of awarding task bonuses to the Management Board of CIECH SA”,
- 6) drawing up a project of changes in work contracts signed with the members of the Management Board in connection with changes in the Management Board of the Company,
- 7) formal examination of offers submitted by applicants in the recruitment procedure connected with the appointment of members of the Management Board of the Company announced by the Supervisory Board on 27 April 2012,

The Supervisory Board adopted appropriate Resolutions on the matters specified above.

ASSESSMENT OF THE REPORT ON OPERATIONS OF THE COMPANY IN THE FINANCIAL YEAR 2012 AND THE SEPARATE FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR 2012 FOR THEIR COMPLIANCE WITH THE BOOKS AND DOCUMENTS, AS WELL AS THE ACTUAL SITUATION, AND OF THE CIECH SA MANAGEMENT BOARD'S MOTION ON COVERING THE NET LOSS OF CIECH SA FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 DECEMBER 2012.

Pursuant to Article 382 § 3 of the Code of Commercial Companies and § 21 section 2 item 1 of the Articles of Association of CIECH SA as well as § 3 section 2 item 1 of the Regulations of the Supervisory Board of CIECH SA, the Supervisory Board of CIECH SA evaluated the Report on operations of the Company for the financial year 2012 and the separate financial statements of CIECH SA for the financial year 2012 in terms of their compliance with books and documents as well as the facts, and the CIECH SA Management Board's motion concerning the coverage of the net loss of CIECH SA for the period from 1 January 2012 to 31 December 2012.

EVALUATION OF THE SEPARATE FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR 2012

Pursuant to Resolution No 57/VII/2012 of 24 May 2012, the Financial Statements of CIECH SA for the financial year 2012 were audited by KPMG Audyt Sp. z o.o. (later referred to as the statutory auditor).

The representatives of the statutory auditor participated in some of the Supervisory Board's meetings and worked with the Audit Committee of the Supervisory Board on a regular basis.

The Supervisory Board read the statutory auditor's opinion and report.

In the opinion of the statutory auditor, the financial statements in all material aspects:

- 1) give a true and fair view of the Company's economic and financial situation as of 31 December 2012, the financial result as well as cash flows for the financial year ending on that day; they have been compiled in all material aspects in accordance with the International Financial Reporting Standards approved by the European Union, they comply with the laws governing the separate financial statements as well as the provisions of the Company's Articles of Association, and they have been drawn up based on correctly kept accounting books in all material aspects,
- 2) the comparative data was presented based on the Company's separate financial statements for the financial year ending 31 December 2011, which were audited by a statutory auditor, who expressed an unqualified opinion on 19 March 2012.

On 17 April 2013, the Audit Committee of CIECH SA's Supervisory Board recommended to the Supervisory Board to express a positive opinion on CIECH SA's Separate Financial Statements for the financial year 2012.

The Supervisory Board of CIECH SA concluded that the said financial statements satisfy all requirements of the Accounting Act of 29 September 1994 (J.L. of 2009, No. 152, item 1223, as amended) and, during the meeting on 26 April 2013, it examined the financial statements and recommended to the Annual Shareholders' Meeting to approve them.

ASSESSMENT OF THE REPORT ON OPERATIONS OF THE COMPANY IN 2012

The Supervisory Board read the Report on operations of the Company in 2012 and the opinion of the statutory auditor.

The statutory auditor concluded that the Report on operations of the Company in the financial year 2012, in all material aspects, takes account of the information referred to in Article 49 of the Accounting Act and the Ordinance of the Minister of Finance of 19 February 2009 regarding current

and interim information submitted by the issuers of securities, and the conditions of recognising as equivalent the information required under the laws of a non-member state (J.L. of 2009, No. 33, item 259, as amended), and that it is consistent with the information included in the separate financial statements.

On 17 April 2013, the Audit Committee of CIECH SA's Supervisory Board recommended to the Supervisory Board to present to the Annual Shareholders' Meeting of CIECH SA a positive opinion on the said Report.

The Supervisory Board of CIECH SA concluded that Report on operations CIECH SA in 2012 satisfies the requirements of the Accounting Act of 29 September 1994 (J.L. of 2009, No. 152, item 1223, as amended), and that it is complete within the meaning of Article 49 section 2 of the Accounting Act and the Ordinance of the Minister of Finance of 19 February 2009 regarding current and interim information submitted by the issuers of securities, and the conditions of recognising as equivalent the information required under the laws of a non-member state, and that the information contained in the report is derived from and consistent with the audited financial statements. On 26 April 2013, the Supervisory Board assessed the report and recommended to the Annual Shareholders' Meeting to approve it.

ASSESSMENT OF THE CIECH SA MANAGEMENT BOARD'S MOTION ON THE COVERAGE OF THE NET LOSS OF CIECH SA FOR THE FINANCIAL YEAR 2012 FROM THE COMPANY'S SUPPLEMENTARY CAPITAL

On 17 April 2013, the Audit Committee of the Supervisory Board of CIECH SA approved the Management Board's motion on covering the net loss of CIECH SA for the period from 1 January 2012 to 31 December 2012 from the Company's supplementary capital.

The Supervisory Board of CIECH SA issued a positive opinion on the Management Board's motion on covering the net loss of CIECH SA for 2012 from the Company's supplementary capital and recommended the Annual Shareholders' Meeting to adopt resolution in accordance with the proposal of the Management Board.

ASSESSMENT OF THE REPORT ON OPERATIONS OF THE CIECH CAPITAL GROUP IN 2012 AND CONSOLIDATED FINANCIAL STATEMENTS OF THE CIECH CAPITAL GROUP FOR THE FINANCIAL YEAR 2012

Pursuant to Article 382 § 3, in connection with Article 395 § 5 of the Commercial Companies Code, and § 21 section 2 item 1) of CIECH SA's Articles of Association, as well as § 3 section 2 item 1) of the Supervisory Board's Regulations, the Supervisory Board of CIECH SA assessed the Report on operations of the CIECH Capital Group for the financial year 2012 and Consolidated Financial Statements of the CIECH Capital Group for the financial year 2012 for their compliance with the books, documents and the factual status.

ASSESSMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE CIECH CAPITAL GROUP FOR THE FINANCIAL YEAR 2012

Pursuant to Resolution No 57/VII/2012 of 24 May 2012, the Consolidated financial statements of the CIECH Capital Group for the financial year 2012 were audited by KPMG Audyt Sp. z o.o.

The Supervisory Board read the statutory auditor's opinion and report. In the opinion of the statutory auditor, the audited Consolidated financial statements of the CIECH Capital Group for the financial year 2012 in all material aspects:

- 1) give a true and fair view of the Capital Group's economic and financial situation as of 31 December 2012, the financial result as well as cash flows for the financial year ending on that day; they have been compiled in all material aspects in accordance with the International Financial Reporting Standards approved by the European Union, and they comply with the

laws governing the consolidated financial statements, as applicable to the Ciech Capital Group,

- 1) 2) the comparative data was presented based on the Ciech Capital Group's consolidated financial statements for the financial year ending 31 December 2011, which were audited by a statutory auditor, who expressed an unqualified opinion on 19 March 2012.

On 17 April 2013, the Audit Committee of CIECH SA's Supervisory Board expressed a positive opinion on the Ciech Capital Group's Consolidated Financial Statements for FY 2012 and recommended to the Supervisory Board to approve them.

The Supervisory Board concluded that the said financial statements satisfy all requirements of the Accounting Act of 29 September 1994 (J.L. of 2009, No. 152, item 1223, as amended) and, during the meeting on 26 April 2013, it examined the financial statements and recommended to the Annual Shareholders' Meeting to approve them.

ASSESSMENT OF THE REPORT ON OPERATIONS OF THE CIECH CAPITAL GROUP IN THE FINANCIAL YEAR 2012

The Supervisory Board read the Report on operations of the CIECH Capital Group in the financial year 2012 and the statutory auditor's opinion.

The statutory auditor concluded that the Report on operations of the CIECH Capital Group in the financial year 2012, in all material aspects, takes account of the information referred to in Article 49 of the Accounting Act and the Ordinance of the Minister of Finance of 19 February 2009 regarding current and interim information submitted by the issuers of securities, and the conditions of recognising as equivalent the information required under the laws of a non-member state (J.L. of 2009, No. 33, item 259, as amended), and that it is consistent with the information included in the consolidated financial statements.

On 17 April 2013, the Audit Committee of CIECH SA's Supervisory Board recommended to the Supervisory Board to express a positive opinion on the Report on operations of the CIECH Capital Group in the financial year 2012.

The Supervisory Board concluded that the Report on operations of the CIECH Capital Group in the financial year 2012 satisfies all requirements of the Accounting Act of 29 September 1994 (J.L. of 2009, No. 152, item 1223, as amended) and, during the meeting on 26 April 2013, it examined the report and recommended to the Annual Shareholders' Meeting to approve it.

RECOMMENDATIONS FOR THE ANNUAL SHAREHOLDERS' MEETING OF CIECH SA

The assessment by the Supervisory Board of the Financial Statements of CIECH SA for the financial year 2012 and the Report on operations of the Company for the financial year 2012 allows the conclusion that all data included in the said documents are consistent with the books, documents and the factual status, and that their content is coherent.

The Report on operations of the Company in the financial year 2012 gives a true and fair view of all materials aspects of the Company's operations as well as information material for assessing its economic and financial situation.

The Supervisory Board of CIECH SA, after examining the submitted Consolidated Financial Statements of the CIECH Capital Group for the financial year 2012 and the Report on operations of the CIECH Capital Group for the financial year 2012, concluded that the report and the statements are coherent and consistent with the books and documents available to CIECH SA's supervisory Board, and that they present all material aspects of the Ciech Capital Group's business in accordance with the factual status.

The Supervisory Board of CIECH SA, having completed the analysis, with regard to the recommendation of the Audit Committee, issued a positive opinion on the CIECH SA Management Board's motion on covering the loss for 2012 from the Company's supplementary capital.

In consideration of the above, CIECH SA's Supervisory Board recommends to the Annual Shareholders' Meeting of CIECH SA to approve:

- 1) The Separate Financial Statements of CIECH SA for the financial year 2012,*
- 2) The Report on operations of the Company in the financial year 2012,*
- 3) The consolidated financial statements of the Ciech Capital Group for the financial year 2012,*
- 4) The Report on operations of the Ciech Capital Group in the financial year 2012*

and

motions that the Annual Shareholders' Meeting of CIECH SA adopts a resolution on covering the net loss of CIECH SA for 2012 from the Company's supplementary capital.

Furthermore, CIECH SA's Supervisory Board recommends to the Annual Shareholders' Meeting of CIECH SA to acknowledge the fulfilment of duties by the following members of CIECH SA's Management Board in FY 2012:

- 1) Artur Osuchowski, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 01 January 2012 to 31 December 2012,*
- 2) Andrzej Bąbaś, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 01 January 2012 to 26 December 2012,*
- 3) Rafał Rybkowski, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 01 January 2012 to 26 April 2012.*
- 4) Dariusz Krawczyk, acknowledgement of the fulfilment of duties as the President of the Management Board in the period from 27 April 2012 to 31 December 2012, including:*
 - as a member of the Supervisory Board delegated to the Management Board pursuant to resolution of the Supervisory Board of 27 April 2012 to temporarily perform the duties of a Member of the Management Board, of the fulfilment of duties of the President of the Management Board during the period from 27 April 2012 to 28 May 2012,*
 - as the President of the Management Board during the period from 28 May 2012 to 31 December 2012,*
- 5) Maciej Lipiec, a member of the Supervisory Board delegated to the Management Board pursuant to resolution of the Supervisory Board of 27 April 2012 to temporarily perform the duties of a Member of the Management Board, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 27 April 2012 to 28 May 2012,*
- 6) Andrzej Kopeć, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 28 May 2012 to 31 December 2012.*

The Supervisory Board voted on a recommendation on granting an acknowledgement to Mr Ryszard Kunicki of the fulfilment of duties of the President of the Management Board of CIECH SA during the period from 1 January 2012 to 26 April 2012. The resolution did not obtain the required majority of votes.

**CHAIRPERSON
OF THE SUPERVISORY BOARD OF CIECH SA**

Ewa Sibrecht - Ośka

**Resolution No 107/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

concerning the document: "Assessment of CIECH SA's standing in FY 2012, including the assessment of the internal control system and the system for managing the company's material risks".

Acting pursuant to § 21 section 1 of CIECH SA's Articles of association as well as § 3 section 1 of the Regulations of CIECH SA's Supervisory Board and in connection with rule no. 1.1) in chapter III (Best Practice for Supervisory Board Members) of the Code of Best Practice for WSE Listed Companies, adopted by way of resolution No. 20/1287/2011 of the Exchange Supervisory Board of 19 October 2011, effective as of 1 January 2012, the Supervisory Board resolves as follows:

§1

1. The Supervisory Board of CIECH SA adopts the document: *"Assessment of CIECH SA's standing in FY 2012, including the assessment of the internal control system and the system for managing the company's material risks"*.
2. *"Assessment of CIECH SA's standing in FY 2012, including the assessment of the internal control system and the system for managing the company's material risks"* forms an appendix to this resolution.

§2

The Supervisory Board presents to the Annual Shareholders' Meeting of CIECH SA the document referred to in §1 of this resolution.

§3

The resolution comes into effect upon adoption.

The voting was conducted by open/secret ballot.

Attending members: 8

Number of votes cast "in favour": 8 Number of votes cast "against":- Number of "abstaining" votes:

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak



The CIECH SA's Supervisory Board's assessment of CIECH SA's standing in FY 2012, including the assessment of the internal control system and the system for managing the Company's material risks

Acting pursuant to rule III.1.1) of the Code of Best Practice for WSE Listed Companies, which should be applied by companies listed at the Warsaw Stock Exchange, the Supervisory Board presents to the Annual Shareholders' Meeting of CIECH SA a brief assessment of the Company's standing in 2012, including the internal control system and the system for managing the Company's material risks.

1. Assessment of the company's standing in 2012

In 2012, CIECH SA generated a negative net result amounting to PLN 484,776 thousand, the balance sheet total amounted to PLN 2,665,988 thousand and cash increased by PLN 16,827 thousand. The net profitability is negative and amounts to (19.0%). The net result for 2012 was negatively affected by the need to recognise impairment losses on non-current assets (for interest held and borrowings granted) as well as by high debt service costs and the surplus of FX losses over FX gains.

The negative result was partly offset by the growth dynamics of domestic sales, the price increase of soda ash and sulphur on foreign markets, and the sale of interests in Polfa Sp. z o.o.

In 2012, CIECH SA's sales revenues amounted to PLN 2,556,731 thousand and were higher than those in 2011 by 10%. The revenue was positively affected by the increase in the sales prices and sales volume of soda ash, and the continued trend of high prices of sulphur.

In 2012, the gross profit on sales amounted to PLN 300,174 thousand, while in the same period last year it amounted to 279,382 thousand. The operating profit for 2012 amounted to PLN 45,674 thousand, compared to PLN 75,173 thousand in the comparative period. At the end of 2012, the EBIT margin amounted to 1.8% (3.2% a year earlier), while the EBITDA margin was 2.0% (3.5% a year earlier).

As of 31 December 2012, equity amounted to PLN 834,659 thousand, which means a decrease in equity by PLN 485,063 thousand compared to the end of 2011. The decrease in equity was attributable to the generated net loss in the amount of PLN 484,776 thousand and the downward adjustment on account of the share premium in the amount of PLN 287 thousand.

As of 31.12.2012, CIECH SA's total long-term and short-term liabilities amounted to PLN 1,831,329 thousand, which means an increase in liabilities by 25% compared to a year earlier. The increase was mainly due to the repayment of liabilities on account of loans and borrowings. At the same time, the borrowing structure changed: the short-term portion of loans, borrowings and other debt instruments decreased by PLN 933,897 thousand to PLN 33,303 thousand. At the end of 2012, long-term liabilities on account of loans, borrowings and other debt instruments increased by PLN 1,286,264 thousand compared to the previous year in connection with the issue of bonds.

The net debt (financial liabilities less cash) at the end of 2012 amounted to PLN 1,288,245 thousand and increased over the course of the year by PLN 336,144 thousand.

In 2012, the operating cash flow increased by PLN 30,937 thousand and amounted to PLN (43,858) thousand. The surplus of capital expenditures over proceeds in 2012 amounted to PLN 48,347 thousand. As part of its operations, the Company incurred capital expenditures mainly on granting borrowings to the subsidiaries Vitrosilcon SA, Organika Sarzyna SA USG Sodice Govora and Alwernia SA, the purchase of interests/shares and the increase of share capital in the subsidiaries Organika-Sarzyna SA, Ciech Pianki Sp. z o.o., Ciech Financing AB and Ciech America Latina. The main source of proceeds was the repayment of borrowings by Alwernia SA, Vitrosilcon SA and Polfa Sp. z o.o., and the sale of the interests in Polfa.

Cash flows from financing activities amounted to PLN 109,032 thousand as a result of the surplus of proceeds from the issue of new bonds and from the raised loans over the redemption of the bonds issued on 14 December 2007, and as a result of the surplus of proceeds from the repayment of loans over expenditures on the repayment of loans and borrowings.

At the end of 2012, the liquidity ratios improved significantly compared to the 2011 levels and are higher than 1.

2. Assessment of the internal control system

The control system in the Ciech Group includes the following:

- institutional control, performed by the Control and Internal Audit Department of Ciech SA,
- operational and functional control, performed on a continuous basis by the employees of all organisational units by observing procedures, regulations and other internal provisions in all phases of operations in the form of preliminary, regular and follow-up control measures.

In 2012, the Control and Internal Audit Department, acting pursuant to the Organisational Regulations of Ciech SA, based on the adopted control and audit plan, performed a number of audits and internal control measures in Ciech SA and in the companies of the Ciech Group. The Department also performed ad-hoc control measures and audits, as ordered by the President of the Management Board of Ciech SA

The audit and control reports as well as recommendations are regularly presented to the Management Board of CIECH SA and the competent organisational units, and the implementation of such recommendations is monitored.

Both the Control and Audit Plan as well as reports on the execution and results thereof are presented and discussed at meetings of the Audit Committee of the Supervisory Board of Ciech SA. Within the annual review of the internal control and risk management system a report thereon is presented at a Supervisory Board meeting.

Ciech SA's internal control system covers significant areas of operations in the whole Ciech Group, it is adapted to the Group's organisational structure and covers subsidiaries. However, the system must be constantly improved through regular audits in areas that have been identified as the most vulnerable to any irregularities.

3. Assessment of the system for managing the Company's material risks

In the Ciech Group, the risk management process covers all strategic and operational management levels. The related tasks are performed on a continuous basis by the organisational units forming the Group that are coordinated by the Representative of Ciech SA's Management Board for the Integrated Quality and Information Security Management System. There are a number of manuals, procedures and internal regulations in place that serve as basis for the effective operation of a comprehensive system for managing information security, business continuity and financial risk.

At the strategic level, Ciech SA's Management Board continuously monitors and assesses the business risks.

At the operational level, the tasks are fulfilled by a number of organisational units. The main areas of operation are:

Ensuring information security

The Representative for the Integrated Quality and Information Security Management System appointed by Ciech SA's Management Board is responsible for information security. The tasks fulfilled in this area concern organisational, legal, physical personal and data communication security. The risk management plan regulates all procedures and protective measures.

Ensuring security in the area of business continuity

In this area, analyses and monitoring cover factors which influence business, business continuity strategies, business continuity plans, legal compliance and emergency plans. Coordination tasks are fulfilled by the Representative for the Integrated Quality and Information Security Management System.

Financial risk management

The method for managing the financial risk is specified by the Financial Security Strategy for the Ciech Group, which describes and adopts procedures and tasks for managing the FX risk and the interest rate risk. The strategy has been approved by the Supervisory Board of CIECH SA

The Ciech Group's Risk Management System allows the existing business risks to be managed effectively. However, given the dynamics of the global economy as well as new risk areas that need to be identified and addressed, the System should be developed and improved in the coming years.

In consideration of the above, CIECH SA's Supervisory Board is of the opinion that the Ciech Group's Internal Control and Risk Management System is adequate to the Ciech Group's scale of operations and organisational structure, it allows the main business risks to be eliminated and allows management processes to be optimised and improved.

CHAIRWOMAN OF CIECH SA'S SUPERVISORY BOARD

Ewa Sibrecht - Ośka

**Resolution No 108/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on a recommendation for the Annual Shareholders' Meeting in the scope of granting acknowledgement to Mr Ryszard Kunicki of the fulfilment of duties as the President of the Management Board in the period from 01 January 2012 to 26 April 2012

Acting pursuant to Article 382 § 1 of the Commercial Companies Code and § 21 section 2 item 3 of the Articles of Association of CIECH SA, the Supervisory Board of CIECH SA resolves as follows:

§1

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to grant acknowledgement to Mr Ryszard Kunicki of the fulfilment of duties as the President of the Management Board in the period from 01 January 2012 to 26 April 2012.

§2

The resolution comes into effect upon adoption.

The voting was conducted by secret ballot.

Attending members: 8

Number of votes cast "in favour": 8 Number of votes cast "against": 3 Number of "abstaining" votes: 1

Signatures of Board members:

- 1. Ewa Sibrecht - Ośka**
- 2. Przemysław Cieszyński**
- 3. Arkadiusz Grabalski**
- 4. Zygmunt Kwiatkowski**
- 5. Maciej Lipiec**
- 6. Waldemar Maj**
- 7. Mariusz Obszyński**
- 8. Sławomir Stelmasiak**



**Resolution No 109/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on a recommendation for the Annual Shareholders' Meeting in the scope of granting acknowledgement to Mr Andrzej Bąbaś of the fulfilment of duties of a Member of the Management Board in the period from 01 June 2012 to 26 April 2012

Acting pursuant to Article 382 § 1 of the Commercial Companies Code and § 21 section 2 item 3 of the Articles of Association of CIECH SA, the Supervisory Board of CIECH SA resolves as follows:

§1

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to grant acknowledgement to Mr Andrzej Bąbaś of the fulfilment of duties of a Member of the Management Board in the period from 01 January 2012 to 26 April 2012.

§2

The resolution comes into effect upon adoption.

The voting was conducted by secret ballot.

Attending members: 8

Number of votes cast "in favour": 5 Number of votes cast "against": 1 Number of "abstaining" votes: 2

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak



**Resolution No 110/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on a recommendation for the Annual Shareholders' Meeting in the scope of granting acknowledgement to Mr Rafał Rybkowski of the fulfilment of duties of a Member of the Management Board in the period from 01 June 2012 to 26 April 2012

Acting pursuant to Article 382 § 1 of the Commercial Companies Code and § 21 section 2 item 3 of the Articles of Association of CIECH SA, the Supervisory Board of CIECH SA resolves as follows:

§1

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to grant acknowledgement to Mr Rafał Rybkowski of the fulfilment of duties of a Member of the Management Board in the period from 01 January 2012 to 26 April 2012.

§2

The resolution comes into effect upon adoption.

The voting was conducted by secret ballot.

Attending members: 8

Number of votes cast "in favour": 5 Number of votes cast "against": 1 Number of "abstaining" votes: 2

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak



**Resolution No 111/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on a recommendation for the Annual Shareholders' Meeting in the scope of granting acknowledgement to Mr Maciej Lipiec of the fulfilment of duties of a Member of the Management Board in the period from 27 June 2012 to 28 April 2012

Acting pursuant to Article 382 § 1 of the Commercial Companies Code and § 21 section 2 item 3 of the Articles of Association of CIECH SA, the Supervisory Board of CIECH SA resolves as follows:

§1

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to grant acknowledgement to Maciej Lipiec, a member of the Supervisory Board delegated to the Management Board pursuant to resolution of the Supervisory Board of 27 April 2012 to temporarily perform the duties of a Member of the Management Board, of the fulfilment of duties as a Member of the Management Board in the period from 27 April 2012 to 28 May 2012,

§2

The resolution comes into effect upon adoption.

The voting was conducted by secret ballot.

Attending members: 8

Number of votes cast "in favour": 8 Number of votes cast "against":- Number of "abstaining" votes:

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak



**Resolution No 112/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on a recommendation for the Annual Shareholders' Meeting in the scope of granting acknowledgement to Mr Dariusz Krawczyk of the fulfilment of duties as the President of the Management Board in the period from 27 April 2012 to 31 December 2012

Acting pursuant to Article 382 § 1 of the Commercial Companies Code and § 21 section 2 item 3 of the Articles of Association of CIECH SA, the Supervisory Board of CIECH SA resolves as follows:

§1

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to grant acknowledgement to Mr Dariusz Krawczyk of the fulfilment of duties as the President of the Management Board in the period from 27 April 2012 to 31 December 2012, including:

- as a member of the Supervisory Board delegated to the Management Board pursuant to resolution of the Supervisory Board of 27 April 2012 to temporarily perform the duties of a Member of the Management Board, of the fulfilment of duties of the President of the Management Board during the period from 27 April 2012 to 28 May 2012,
- as the President of the Management Board during the period from 28 May 2012 to 31 December 2012,

§2

The resolution comes into effect upon adoption.

The voting was conducted by secret ballot.

Attending members: 8

Number of votes cast "in favour": 8 Number of votes cast "against": 0 Number of "abstaining" votes: 0

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak



**Resolution No 113/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on a recommendation for the Annual Shareholders' Meeting in the scope of granting acknowledgement to Mr Andrzej Kopeć of the fulfilment of duties of a Member of the Management Board in the period from 28 May 2012 to 31 December 2012

Acting pursuant to Article 382 § 1 of the Commercial Companies Code and § 21 section 2 item 3 of the Articles of Association of CIECH SA, the Supervisory Board of CIECH SA resolves as follows:

§1

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to grant acknowledgement to Mr Andrzej Kopeć of the fulfilment of duties of a Member of the Management Board of CIECH SA in the period from 28 May 2012 to 31 December 2012.

§2

The resolution comes into effect upon adoption.

The voting was conducted by secret ballot.

Attending members: 8

Number of votes cast "in favour": 8 Number of votes cast "against":- Number of "abstaining" votes: 0

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak



**Resolution No 114/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on a recommendation for the Annual Shareholders' Meeting in the scope of granting acknowledgement to Mr Artur Osuchowski of the fulfilment of duties of a Member of the Management Board in the period from 01 January 2012 to 31 December 2012

Acting pursuant to Article 382 § 1 of the Commercial Companies Code and § 21 section 2 item 3 of the Articles of Association of CIECH SA, the Supervisory Board of CIECH SA resolves as follows:

§1

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to grant acknowledgement to Mr Artur Osuchowski of the fulfilment of duties of a Member of the Management Board in the period from 01 January 2012 to 31 December 2012.

§2

The resolution comes into effect upon adoption.

The voting was conducted by secret ballot.

Attending members: 8

Number of votes cast "in favour": 7
votes: 0

Number of votes cast "against": 1 Number of "abstaining"

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak



**Resolution No 115/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on: issuing opinion on the purchase of own shares by CIECH SA

Acting pursuant to § 21 section 2 item 3 of the Articles of Association of CIECH SA, the Supervisory Board of CIECH SA resolves as follows:

§1

The Supervisory Board of CIECH SA issues a positive opinion on the motion of ... April 2013 – expressed in Resolution No/2013 of the Management Board of CIECH SA – on granting a consent to purchase own shares by CIECH SA with the aim of redemption, on the following conditions:

- 1) the subject of the purchase are 2 (two) registered ordinary D series shares of CIECH SA with consecutive numbers from 1 to 2, with a nominal value of PLN 5 (in words: five zloty) each, with a total nominal value of PLN 10 (in words: ten zloty), held by Mr Grzegorz Margas;
- 2) the purchase of own shares with the aim of redemption shall be made for a consideration for Mr Grzegorz Margas in the amount of PLN 40.00 (in words: forty zloty);
- 3) the funds for the purchase of own shares with the aim of redemption shall be taken only from the amount that may be distributed pursuant to Article 348 § 1 of the Commercial Companies Code;
- 4) the purchase will be made under a conditional agreement for the purchase of shares concluded between CIECH SA and Mr Grzegorz Margas, under which the dispositive result in the form of a transfer of shares of CIECH SA held by Mr Grzegorz Margas to CIECH SA with the aim of redemption depends on the adoption by the General Meeting of Shareholders of a resolution as to the consent to the purchase by the Company of own shares with the aim of redemption.

§2

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to approve the task referred to in § 1 hereof.

§3

The resolution comes into effect upon adoption.

The voting was conducted by open/secret ballot.

Attending members: 8

Number of votes cast “in favour”: 8 Number of votes cast “against”: 0 Number of “abstaining” votes: 0

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński



8. Sławomir Stelmasiak


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93 1030 1061 0000 0000 0034 0001

Statistical No. (REGON): 011179878
Tax ID (NIP): 118-00-19-377

Register of entrepreneurs:
District Court for the Capital City of Warsaw,
13th Commercial Division of the National
Court Register, KRS 0000011687

share capital:
PLN 263,500,975.00 (fully paid)



**Resolution No 116/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on: issuing opinion on the redemption of own shares: 2 ordinary registered F series shares

Acting pursuant to § 21 section 2 item 3 of the Articles of Association of CIECH SA, the Supervisory Board of CIECH SA resolves as follows:

§ 1

1. The Supervisory Board of CIECH SA issues a positive opinion on the motion – expressed in Resolution No 108/2013 of the Management Board of CIECH SA of 19 April 2013 – to the General Meeting of Shareholders on the redemption, by way of a voluntary redemption, of 2 (in words: two) F series ordinary registered shares with consecutive numbers from 1 to 2, with a nominal value of PLN 5 (in words: five zloty) each, with a total nominal value of PLN 10 (in words: ten zloty).
2. The shares shall be redeemed for a consideration in the amount of PLN 20.00 (in words: twenty zloty) for each share.
3. The reduction of share capital of the Company resulting from the redemption of the aforementioned shares shall take place by way of amending the Articles of association of the Company, without notifying the creditors of share capital reduction referred to in Article 456 § 1 of the Commercial Companies Code, pursuant to Article 360 § 2 item 2 of the Commercial Companies Code due to the fact that the remuneration for the redeemed shares will be paid from the amount that can be distributed, in accordance with Article 348 § 1 of the Commercial Companies Code.

§2

The Supervisory Board gives positive opinion on the reduction of share capital of the Company from the amount of PLN 263,500,975.00 (in words: two hundred sixty-three million five hundred thousand nine hundred seventy-five zloty) to the amount of PLN 263,500,965.00 (in words: two hundred sixty-three million five hundred thousand nine hundred sixty-five), i.e. by the amount of PLN 10 (in words: ten zloty) by way of a redemption of 2 (in words: two) F series ordinary registered shares of the Company with a nominal value of PLN 5.00 (in words: five zloty) each and total nominal value of PLN 10 (in words: ten zloty).

§3

The Supervisory Board issues a positive opinion on the amendment to the Articles of association of CIECH SA consisting in amending § 7 section 1 of the Articles of Association of CIECH Spółka Akcyjna with the following wording:

“The share capital of the Company amounts to PLN 263,500,965 (in words: two hundred sixty-three million, five hundred thousand, nine hundred and sixty-five) and is divided into 52,699,909 (fifty-two million, six hundred ninety-nine thousand, nine hundred and nine) shares of a nominal value of PLN 5 (five) each, including:

- 20,816 (in words: twenty thousand, eight hundred and sixteen) A series ordinary bearer shares,
- 19,775,200 (in words: nineteen million, seven hundred seventy-five thousand, two hundred) B series ordinary bearer shares,
- 8,203,984 (in words: eight million, two hundred three thousand, nine hundred and eighty-four) C series ordinary bearer shares,
- 23,000,000 (in words: twenty-three million) D series ordinary bearer shares,
- 1,699,909 (in words: one million, six hundred ninety-nine thousand, nine hundred and nine) E series ordinary bearer shares.”

§4

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to adopt a resolution on the matter in question.



§5

The resolution comes into effect upon adoption.

The voting was conducted by open/secret ballot.

Attending members: 8

Number of votes cast “in favour”: 8 Number of votes cast “against”: 0 Number of “abstaining” votes: 0

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak

**Resolution No 117/VII/2013
of the Supervisory Board of CIECH SA
of 26 April 2013**

on issuing an opinion concerning an amendment to the Articles of Association of CIECH SA

Acting pursuant to § 21 section 2 item 3 of the Articles of Association of CIECH SA, the Supervisory Board resolves as follows:

§1

The Supervisory Board of CIECH SA issues a positive opinion on the proposed amendment to the Articles of Association of CIECH SA consisting in amending § 6 section 1 of the Articles of Association of CIECH SA with the following wording:

“The Company's business is:

- 1) trade of electricity (PKD 35.14.Z),
- 2) trade of gas through mains (PKD 35.23.Z),
- 3) steam and air conditioning supply (PKD 35.30.Z),
- 4) activity of agents involved in the sale of fuels, ores, metals and industrial chemicals (PKD 46.12.Z),
- 5) activity of agents specialised in the sale of other particular products (PKD 46.18.Z),
- 6) activity of agents involved in the sale of various types of goods (PKD 46.19.Z),
- 7) wholesale of pharmaceutical and medical goods (PKD 46.46.Z),
- 8) wholesale of fuels and related products (PKD 46.71.Z),
- 9) wholesale of chemical products (PKD 46.75.Z),
- 10) wholesale of other intermediate products (PKD 46.76.Z),
- 11) non-specialised wholesale trade (PKD 46.90.Z),
- 12) warehousing and storage of other goods (PKD 52.10.B),
- 13) cargo handling at sea ports (PKD 52.24.A),
- 14) cargo handling at inland ports (PKD 52.24.B),
- 15) cargo handling at other goods-handling centres (PKD 52.24.C),
- 16) wired telecommunications activities (PKD 61.10.Z),
- 17) wireless telecommunications activities excluding satellite telecommunication (PKD 61.20.Z),
- 18) satellite telecommunications activities (PKD 61.30.Z),
- 19) other telecommunications activities (PKD 61.90.Z),
- 20) computer programming activities (PKD 62.01.Z),
- 21) computer consultancy activities (PKD 62.02.Z),
- 22) computer facilities management activities (PKD 62.03.Z),
- 23) other information technology and computer service activities (PKD 62.09.Z),
- 24) data processing, hosting and related activities (PKD 63.11.Z),
- 25) web portals (PKD 63.12.Z),
- 26) other credit granting (PKD 64.92.Z),
- 27) other financial service activities, except insurance and pension funding n.e.c. (PKD 64.99.Z),
- 28) buying and selling of own real estate (PKD 69.10.Z),
- 29) renting and operating of own or leased real estate (PKD 68.20.Z),
- 30) real estate agencies (PKD 68.31.Z),
- 31) management of real estate on a fee or contract basis (PKD 68.32.Z),
- 32) legal activities (PKD 69.10.Z),
- 33) accounting, bookkeeping and auditing activities; tax consultancy (PKD 69.20.Z),
- 34) activities of head offices and holdings, excluding financial holdings (PKD 70.10.Z),
- 35) public relations and communication activities (PKD 70.21.Z),
- 36) business and other management consultancy activities (PKD 70.22.Z),



- 37) technical testing and analysis (PKD 71.20.B),
- 38) other research and experimental development on natural sciences and engineering (PKD 72.19.Z),
- 39) market research and public opinion polling (PKD 73.20.Z),
- 40) other professional, scientific and technical activities n.e.c. (PKD 74.90.Z),
- 41) activities of employment placement agencies (PKD 78.10.Z),
- 42) other human resources provision (PKD 78.30.Z),
- 43) repair of computers and peripheral equipment (PKD 95.11.Z),
- 44) repair and maintenance of communication equipment (PKD 95.12.Z),
- 45) other service activities n.e.c. (PKD 96.09.Z).”

is amended as follows:

“The Company's business is:

- 1) trade of electricity (PKD 35.14.Z),
- 2) trade of gas through mains (PKD 35.23.Z),
- 3) steam and air conditioning supply (PKD 35.30.Z),
- 4) activity of agents involved in the sale of fuels, ores, metals and industrial chemicals (PKD 46.12.Z),
- 5) activity of agents specialised in the sale of other particular products (PKD 46.18.Z),
- 6) activity of agents involved in the sale of various types of goods (PKD 46.19.Z),
- 7) wholesale of pharmaceutical and medical goods (PKD 46.46.Z),
- 8) wholesale of fuels and related products (PKD 46.71.Z),
- 9) wholesale of chemical products (PKD 46.75.Z),
- 10) wholesale of other intermediate products (PKD 46.76.Z),
- 11) non-specialised wholesale trade (PKD 46.90.Z),
- 12) warehousing and storage of other goods (PKD 52.10.B),
- 13) cargo handling at sea ports (PKD 52.24.A),
- 14) cargo handling at inland ports (PKD 52.24.B),
- 15) cargo handling at other goods-handling centres (PKD 52.24.C),
- 16) wired telecommunications activities (PKD 61.10.Z),
- 17) wireless telecommunications activities excluding satellite telecommunication (PKD 61.20.Z),
- 18) satellite telecommunications activities (PKD 61.30.Z),
- 19) other telecommunications activities (PKD 61.90.Z),
- 20) computer programming activities (PKD 62.01.Z),
- 21) computer consultancy activities (PKD 62.02.Z),
- 22) computer facilities management activities (PKD 62.03.Z),
- 23) other information technology and computer service activities (PKD 62.09.Z),
- 24) data processing, hosting and related activities (PKD 63.11.Z),
- 25) web portals (PKD 63.12.Z),
- 26) other credit granting (PKD 64.92.Z),
- 27) other financial service activities, except insurance and pension funding n.e.c. (PKD 64.99.Z),
- 28) buying and selling of own real estate (PKD 69.10.Z),
- 29) renting and operating of own or leased real estate (PKD 68.20.Z),
- 30) real estate agencies (PKD 68.31.Z),
- 31) management of real estate on a fee or contract basis (PKD 68.32.Z),
- 32) legal activities (PKD 69.10.Z),
- 33) accounting, bookkeeping and auditing activities; tax consultancy (PKD 69.20.Z),
- 34) activities of head offices and holdings, excluding financial holdings (PKD 70.10.Z),
- 35) public relations and communication activities (PKD 70.21.Z),
- 36) business and other management consultancy activities (PKD 70.22.Z),
- 37) technical testing and analysis (PKD 71.20.B),
- 38) other research and experimental development on natural sciences and engineering (PKD 72.19.Z),
- 39) market research and public opinion polling (PKD 73.20.Z),
- 40) other professional, scientific and technical activities n.e.c. (PKD 74.90.Z),
- 41) activities of employment placement agencies (PKD 78.10.Z),



- 42) other human resources provision (PKD 78.30.Z),
- 43) repair of computers and peripheral equipment (PKD 95.11.Z),
- 44) repair and maintenance of communication equipment (PKD 95.12.Z),
- 45) other service activities n.e.c. (PKD 96.09.Z),
- 46) service activities to support land transport (PKD 52.21.Z),
- 47) service activities to support sea transport (PKD 52.22.A)."

§2

The Supervisory Board of CIECH SA recommends to the Annual Shareholders' Meeting of CIECH SA to adopt the amendment to the Articles of Association of CIECH SA referred to in § 1 hereof.

§3

The resolution comes into effect upon adoption.

The voting was conducted by open/secret ballot.

Attending members: 8

Number of votes cast "in favour": 8 Number of votes cast "against": 0 Number of "abstaining" votes: 0

Signatures of Board members:

1. Ewa Sibrecht - Ośka
2. Przemysław Cieszyński
3. Arkadiusz Grabalski
4. Zygmunt Kwiatkowski
5. Maciej Lipiec
6. Waldemar Maj
7. Mariusz Obszyński
8. Sławomir Stelmasiak