

**Motion of the Management Board of the Company
to the Annual Shareholders' Meeting of CIECH Spółka Akcyjna
regarding a proposal of distribution of the net profit obtained by the Company in financial year
2013**

Introduction

The Management Board of CIECH S.A. hereby submits to the Shareholders of the Company, for consideration according to Article 395 § 2 item 2) of the Commercial Companies Code and § 18 item 2) of the Articles of Association of CIECH S.A., a motion concerning the allocation of the net profit of CIECH S.A. for financial year 2013, to the amount of PLN 100,692,846.14 (say: one hundred million six hundred ninety-two thousand eight hundred forty-six and 14/100), in whole, for the supplementary capital of the Company, as specified in Resolution No. 68/2014 of the Management Board of CIECH S.A. of 20 March 2014 regarding a proposal of distribution of the net profit of CIECH S.A. for 2013.

Justification:

1. The Ciech Group intends to implement, in the next few years, an intensive investment programme, encompassing inter alia:
 - a. Intensification of sodium carbonate production (increase of the production capacity of Soda Polska Ciech by 200 thousand tonnes),
 - b. Intensification of dry soda production (in Soda Polska Ciech),
 - c. Investments facilitating the meeting of the requirements of the Directive of Industrial Emissions (in Soda Polska Ciech).The payment of the dividend, in the event that the alternative financing will be missing, would entail a reduction of funds available for the implementation of the aforementioned investment projects and a necessity of their partial postponement in time or limitation. Moreover, the Ciech Group has limited possibilities of incurring new debts due to the restrictions connected with the current financing documentation.
2. The financial documentation binding in CIECH S.A. anticipates a possibility of payment of the dividend and incurring new financing in the form of a debt. There is a risk that payment of the dividend, considering the currently achieved financial results, may entail:
 - a breach of the terms and conditions of issue of foreign bonds,
 - a breach of indicators tested according to the Credit Agreement of 9 August 2013 as at the end of the second quarter of 2014.
3. The payment of the dividend would reduce the value of funds available for reduction of the debt, and, therefore, a possibility of exercising the call option in Series 01 bonds (the deadline for exercising the option is 5 June 2014) with the face value of PLN 160 million. A reduction of the absolute and relative level of indebtedness of the Group constitutes one of the key objectives of the Management Board of CIECH S.A.



4. The Management Board of Ciech S.A. would like to point out that, according to the call published by *KI Chemistry société a responsabilité limitée, with a registered office in Luxembourg*, (hereinafter: "KI Chemistry" and "Call"), one of the conditions of the Call is an entry into a strategic co-operation agreement between KI Chemistry and Ciech S.A. encompassing, inter alia, an obligation that "in the event of disclosing a profit in the approved unit financial statement of Ciech S.A. for financial year 2013, the Management Board of Ciech S.A. shall present the annual shareholders' meeting with a resolution regarding the allocation of the profit for financial year 2013 in such a manner that the whole profit from 2013 is allocated for the supplementary capital of Ciech SA". The recommendation of the Management Board of Ciech S.A. regarding the allocation of the profit for 2013 otherwise would prevent the conclusion of the strategic co-operation agreement with such contents and the meeting of the condition of the Call.

Recommendation

Taking the foregoing into account, the Management Board requests that the Annual Shareholders' Meeting of CIECH S.A. should adopt a resolution regarding the distribution of the net profit of CIECH S.A. for the financial year 2013, according to this motion.