

RESOLUTION No. 1
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012

on appointing the Chairman of the Ordinary General Meeting

Acting pursuant to Article 409 § 1 of the Commercial Companies Code, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. appoints Mr/Ms as the Chairman/Chairwoman of the Meeting.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: ... Percentage share of these shares in the share capital:

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.

Re item 4 of the agenda

RESOLUTION No. 2
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012

on adopting the agenda of the Ordinary General Meeting

Acting pursuant to § 25 of the Regulations of the General Meeting of CIECH S.A., it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. adopts the following agenda of the Ordinary General Meeting of CIECH S.A.:

1. Opening the Ordinary General Meeting.
2. Appointing the Chairman of the Ordinary General Meeting.
3. Confirmation of correct convening of the Ordinary General Meeting and its capacity to adopt resolutions.
4. Adopting the agenda.
5. Examining *CIECH S.A.'s Management Report for 2011* and *CIECH S.A.'s Separate Financial Statements for FY 2011*.
6. Examining *CIECH Group's Management Report for 2011* and *CIECH Group's Consolidated Financial Statements for FY 2011*.
7. Submission of the Management's Board proposal concerning the distribution of the net profit of CIECH S.A. for FY 2011.
8. Examining the *Supervisory Board's Report for FY 2011* and the report on the assessment of *CIECH S.A.'s and CIECH Group's Management Reports as well as CIECH S.A.'s and CIECH Group's financial statements for 2011* and the *Management Board's proposal on the distribution of CIECH S.A.'s net profit for 2011*.

9. Adoption of the resolution concerning the approval of *CIECH S.A.'s Management Report for 2011*.
10. Adoption of the resolution concerning the approval of *CIECH S.A.'s Separate Financial Statements for FY 2011*.
11. Adoption of the resolution concerning the approval of *CIECH Group's Management Report for 2011*.
12. Adoption of the resolution concerning the approval of the *CIECH Group's Consolidated Financial Statements for FY 2011*.
13. Adoption of the resolution on distribution of the net profit of CIECH S.A. for FY 2011.
14. Adoption of the resolution concerning the approval of the *Supervisory Board's Report for FY 2011 and the report on the assessment of CIECH S.A.'s and CIECH Group's Management Reports as well as CIECH S.A.'s and CIECH Group's financial statements for 2011 and the Management Board's proposal on the distribution of CIECH S.A.'s net profit for 2011*.
15. Adoption of resolutions concerning the acknowledgment of the fulfilment of duties by Members of the Management Board in FY 2011.
16. Adoption of resolutions concerning the acknowledgment of the fulfilment of duties by the Members of the Supervisory Board in FY 2011.
17. Supplementing the composition of the Supervisory Board of CIECH S.A.
18. Closing of the session.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: ... Percentage share of these shares in the share capital:
Total number of valid votes:
For:
Against:
Abstained:
The resolution shall be adopted by open ballot.

Re item 9 of the agenda

***RESOLUTION No. 3
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012***

on approving CIECH S.A.'s Management Report for 2011

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 1) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

Following examination, the Ordinary General Meeting of CIECH S.A. approves *CIECH S.A.'s Management Report for 2011*.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: Percentage share of these shares in the share capital:
...
Total number of valid votes:
For:
Against:
Abstained:

The resolution shall be adopted by open ballot.

Re item 10 of the agenda

**RESOLUTION No. 4
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012**

*on approving CIECH S.A.'s Separate Financial Statements
for FY 2011*

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 1) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A., having read the report and the opinion of the statutory auditor KPMG Audyt Sp. z o.o. as well as the assessment of the financial statements of CIECH S.A. for FY 2011 submitted by the Supervisory Board of CIECH S.A., approves *CIECH S.A.'s Separate Financial Statements for FY 2011*, including:

- statement of financial position as of 31 December 2011, presenting the total balance of assets and liabilities in the amount of PLN 2,779,900 thousand (in words: two billion seven hundred seventy-nine million nine hundred thousand zloty);
- profit and loss account for the period from 1 January 2011 to 31 December 2011, presenting net profit in the amount of PLN 351,176 thousand (in words: three hundred fifty-one million one hundred seventy-six thousand zloty);
- statement of comprehensive income for the period from 1 January 2011 to 31 December 2011, presenting positive comprehensive income totalling PLN 344,982 thousand (in words: three hundred forty-four million nine hundred eighty-two thousand zloty);
- statement of changes in equity for the period from 1 January 2011 to 31 December 2011, presenting an increase in equity in the amount of PLN 825,275 thousand (in words: eight hundred twenty-five million two hundred seventy-five thousand zloty);
- cash flow statement for the period from 1 January 2011 to 31 December 2011, presenting a decrease in cash by PLN 24,302 thousand (in words: twenty-four million three hundred and two thousand zloty);
- notes, including information on the adopted accounting policy and other explanatory information.

§ 2

The resolution comes to force as of its passing.

Number of shares with valid votes cast: ...

Percentage share of these shares in the share capital:

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by open ballot.

Re item 11 of the agenda

RESOLUTION No. 5
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012

on approving CIECH Group's Management Report for 2011

Acting pursuant to Article 395 § 5 of the Commercial Companies Code and § 18 item 1) of the Statute of CIECH S.A., it is resolved as follows:

§ 1

Following examination, the Ordinary General Meeting of CIECH S.A. approves the *CIECH Group's Management Report for 2011*.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: ... *Percentage share of these shares in the share capital:*

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by open ballot.

Re item 12 of the agenda

RESOLUTION No. 6
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012

on approving the CIECH Group's Consolidated Financial Statements for FY 2011

Acting pursuant to Article 395 § 5 of the Commercial Companies Code and § 18 item 1) of the Statute of CIECH S.A., it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A., having read the report and the opinion of the statutory auditor KPMG Audyt Sp. z o.o. as well as the Supervisory Board's assessment of the CIECH Group's Consolidated Financial Statements for FY 2011, approves the *CIECH Group's Consolidated Financial Statements for FY 2011*, including:

- consolidated statement of financial position as of 31 December 2011, presenting the total balance of assets and liabilities in the amount of PLN 4,066,505 thousand (in words: four billion sixty-six million five hundred and five thousand zloty);
- consolidated profit and loss account for the period from 1 January 2011 to 31 December 2011, presenting net profit in the amount of PLN 1,501 thousand (in words: one million five hundred and one thousand zloty);
- consolidated statement of comprehensive income for the period from 1 January 2011 to 31 December 2011, presenting positive comprehensive income totalling PLN 9,727 thousand (in words: nine million seven hundred twenty-seven thousand zloty);

- consolidated statement of changes in equity for the period from 1 January 2011 to 31 December 2011, presenting an increase in equity by PLN 457,620 thousand (in words: four hundred and fifty-seven million six hundred and twenty thousand zloty);
- consolidated cash flow statement for the period from 1 January 2011 to 31 December 2011, presenting a decrease in cash by PLN 63,697 thousand (in words: sixty-three million six hundred and ninety-seven thousand zloty);
- notes, including information on the adopted accounting policy and other explanatory information.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: ... *Percentage share of these shares in the share capital:*

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by open ballot.

Re item 13 of the agenda

**RESOLUTION No. 7
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012**

on distribution of the net profit of CIECH S.A. for 2011

Acting pursuant to Article 395 § 2 item 2) of the Commercial Companies Code and § 18 item 2) of the Statute of CIECH S.A., it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A., having read the Management Board's proposal concerning the distribution of CIECH S.A.'s profit for 2011 and having read an opinion of the Supervisory Board of CIECH S.A. approving this proposal, decides to earmark the entire net profit of CIECH S.A. for 2011, amounting to PLN 351,175,695.21 (in words: three hundred fifty-one million one hundred seventy-five thousand six hundred and ninety-five zloty 21/100), for the Company's supplementary capital.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: ... *Percentage share of these shares in the share capital:*

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by open ballot.

Re item 14 of the agenda

RESOLUTION No. 8
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012

on approving the Supervisory Board's Report for FY 2011

Acting pursuant to Article 395 § 5 of the Commercial Companies Code, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. approves the *Report of CIECH S.A.'s Supervisory Board for FY 2011*, including the report on the assessment of CIECH S.A.'s and CIECH Capital Group's Management Report as well as CIECH S.A.'s and CIECH Capital Group's financial statements for FY 2011, and the Management Board's proposal on the distribution of CIECH S.A.'s net profit for FY 2011.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: Percentage share of these shares in the share capital:

...

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by open ballot.

SUPERVISORY BOARD'S REPORT

The Supervisory Board of CIECH S.A. submits its report for 2011, including the assessment of CIECH S.A.'s Management Report for 2011, CIECH S.A.'s Financial Statements for 2011, CIECH Capital Group's Management Report for 2011 and CIECH Capital Group's Consolidated Financial Statements for 2011, as referred to in Article 382 § 3 of the Commercial Companies Code.

This report includes:

- **Information on the composition of the Supervisory Board of CIECH S.A. in 2011**
- **Discussion of the activities of CIECH S.A.'s Supervisory Board from 1 January 2011 to 31 December 2011, including information on issues discussed during the Supervisory Board's meetings**
- **Information on the activities of the Audit Committee of CIECH S.A.'s Supervisory Board in 2011**
- **Information on the activities of the Remuneration Committee of CIECH S.A.'s Supervisory Board in 2011**
- **Assessment of the Company's Management Report for FY 2011 and Separate Financial Statements for FY 2011 for their compliance with the books, documents and the factual status, and assessment of the proposal by CIECH S.A.'s**

Management Board to fully earmark CIECH S.A.'s net profit for FY 2011 for the Company's supplementary capital

- **Assessment of the CIECH Capital Group's Management Report for FY 2011 and CIECH Capital Group's Consolidated Financial Statements for FY 2011 for their compliance with the books, documents and the factual status**
- **Recommendations for the Ordinary General Meeting of CIECH S.A.**

INFORMATION ON THE COMPOSITION OF CIECH S.A.'S SUPERVISORY BOARD IN 2011

Composition of the Supervisory Board as of 01.01.2011:

Ewa Sibrecht-Ońska	Chairwoman of the Supervisory Board (from 22 October 2009, Supervisory Board Member as of 14 September 2009)
Przemysław Cieszyński	Vice-Chairman of the Supervisory Board (from 12 July 2011, Supervisory Board Member as of 21 June 2010)
Krzysztof Salwach,	Secretary of the Supervisory Board (from 7 July 2008, Supervisory Board Member as of 2 April 2008)
Jacek Goszczyński	Member of the Supervisory Board (from 26 June 2008, Vice-Chairman of the Supervisory Board as of 7 July 2008)
Arkadiusz Grabalski	Member of the Supervisory Board (from 21 June 2010)
Waldemar Maj	Member of the Supervisory Board (from 21 June 2010)
Sławomir Stelmasiak	Member of the Supervisory Board (from 14 September 2009)

On 30 June 2011, in connection with the expiry of the term of the Supervisory Board, the Ordinary General Meeting of CIECH S.A., acting pursuant to Article 385 § 1 of the Commercial Companies Code and § 18 item 7) of the Statute of CIECH S.A., appointed the Supervisory Board for the next joint term of office in the same composition.

On 12 July 2011, the Supervisory Board of the 7th term adopted resolutions on appointing the Chairman, the Vice-Chairman and the Secretary of the Supervisory Board.

Ewa Sibrecht-Ońska	Chairwoman of the Supervisory Board
Przemysław Cieszyński	Vice-Chairman of the Supervisory Board
Krzysztof Salwach	Secretary of the Supervisory Board

Composition of the Supervisory Board as of 31.12.2011:

Ewa Sibrecht-Ońska	Chairwoman of the Supervisory Board
Przemysław Cieszyński	Vice-Chairman of the Supervisory Board
Krzysztof Salwach	Secretary of the Supervisory Board
Arkadiusz Grabalski	Member of the Supervisory Board
Jacek Goszczyński	Member of the Supervisory Board
Waldemar Maj	Member of the Supervisory Board
Sławomir Stelmasiak	Member of the Supervisory Board

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

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

As of the day of this Report, the Supervisory Board's composition was as follows:

Ewa Sibrecht-Ośka	Chairwoman of the Supervisory Board
Przemysław Cieszyński	Vice-Chairman of the Supervisory Board
Mariusz Obszyński	Secretary of the Supervisory Board (from 19 January 2012)
Arkadiusz Grabalski	Member of the Supervisory Board
Dariusz Krawczyk	Member of the Supervisory Board (from 19 January 2012)
Waldemar Maj	Member of the Supervisory Board
Sławomir Stelmasiak	Member of the Supervisory Board

In 2011 the following committees operated as part of CIECH S.A.'s Supervisory Board: the Audit Committee of CIECH S.A.'s Supervisory Board and the Remuneration Committee of CIECH S.A.'s Supervisory Board.

The information on the activities of the above committees is presented in the following parts of this Report.

ACTIVITIES OF CIECH S.A.'S SUPERVISORY BOARD FROM 1 JANUARY 2011 TO 31 DECEMBER 2011

In 2011 the Supervisory Board of CIECH S.A. held eleven meetings. All Supervisory Board's meetings took place at the Company's registered office in Warsaw, ul. Puławska 182.

In 2011, the Supervisory Board of CIECH S.A. adopted 57 resolutions, of which 4 were adopted outside formal meetings of the Board by voting using the written form in accordance with § 22 section 2 of the Statute of CIECH S.A. and § 4 section 4 of the Regulations of CIECH S.A.'s Supervisory Board.

Acting pursuant to § 21 section 1 of the Statute of CIECH S.A. and § 3 section 1 of the Regulations of the Supervisory Board, CIECH S.A.'s Supervisory Board constantly monitored the Company's activities. Presented below are major topics which the Supervisory Board dealt with during FY 2011.

STRATEGIC REORIENTATION OF THE CIECH GROUP

On 8 March 2011, the Supervisory Board issued a positive opinion on the document Strategic Reorientation of the Ciech Group for 2011-2015. The changes which took place in the Ciech Group's economic environment became a prerequisite to change the Group's strategy so as to adapt it to new conditions. Key directions of changes consisted in the Group focusing on and specialising in two most promising segments, i.e. the soda and the organic ones, reducing the size and optimising the product portfolio, full integration in both divisions, optimising the structure of the Group's liabilities by changing the structure of financing, reducing the amount of debt as well as borrowing costs, creating a transparent management structure at the corporate, division and production level as well as improving effectiveness through increased specialisation and selective investments concentrated on two segments.

RESTRUCTURING OF THE CIECH GROUP

The financial crisis, which started in the second half of 2008, and the following economic downturn, high level of the Group's debt and the lack of opportunities to achieve a satisfactory competitive position on certain markets provoked the Group to undertake restructuring activities. To this end, in 2009 the Group began activities and initiatives which finally shaped into an integrated and comprehensive restructuring programme a year later. Its implementation is aimed at ensuring conditions for a long-term growth, optimisation of liabilities structure and improvement of Group's profitability. The Restructuring Plan received a positive opinion from the Company's

Supervisory Board on 4 August 2010 by way of Resolution No. 140/VI/2010. Its implementation is aimed at ensuring conditions for a long-term growth, optimisation of the liabilities structure and improvement of the Group's profitability.

RESTRUCTURING OF THE DEBT FINANCING STRUCTURE

In 2010-2011, the Supervisory Board focused its attention on optimising the financing structure. The first stage was to negotiate the syndicated loan agreement of 26 April 2010, which allowed for debt consolidation, reduced the number of financing banks, organised hedges, facilitated the process of liquidity management and allowed for adopting long-term financing. As part of the work to optimise the Group's financing structure started in previous years, a long-term target financing structure was agreed with banks in early 2011. Refinancing the financial debt of the Ciech Group under the Loan Agreement of 26 April 2010 was discussed on numerous occasions during the Supervisory Board's meetings in 2010 and Q1 2011. On 8 February 2011, after the Supervisory Board read the terms and conditions of the new 5-year Loan Agreement with a consortium of seven commercial banks and the EBRD, the Supervisory Board, considering the necessity to provide the Company and the Chemical Group with long-term financing that would replace the current short-term financing, adopted in accordance with § 22 section 2 of the Statute of CIECH S.A. and § 4 section 4 of the Regulations of the Supervisory Board Resolution no. 154/VI/2011 on approving and issuing an opinion on activities connected with the process of refinancing the Ciech Group, according to which:

- the Supervisory Board gave its consent that the Company may undertake the following measures:
 1. the Company's conclusion of a loan agreement, to be concluded by and between the Company, as the borrower and guarantor, Bank Polska Kasa Opieki SA, Bank Handlowy w Warszawie S.A., BRE Bank S.A., Bank DNB Nord Polska S.A., Bank Millennium S.A., ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and the European Bank for Reconstruction and Development (Loan Agreement), according to the terms and conditions defined in the Term Sheet of the Ciech Capital Group, forming annex 1 to this Resolution,
 2. the Company's granting of a borrowing or borrowings to the companies from the Ciech Capital Group as well as the raising of borrowings from the companies of the Ciech Capital Group, as permitted under the Loan Agreement,
- 3. the Company's conclusion of an agreement with creditors, to be concluded, among others, by the Company, Polska Kasa Opieki S.A., Bank Handlowy w Warszawie S.A., BRE Bank S.A., Bank DNB Nord Polska S.A., Bank Millennium S.A., ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. as well as the European Bank for Reconstruction and Development, BNP Paribas S.A., Branch in Poland, Crédit Agricole Corporate and Investment Bank S.A., Branch in Poland, and Fortis Bank Polska S.A. (Creditors' Agreement);
- 4. the Company's establishment of the following securities for the liabilities under (i) the Loan Agreement, (ii) the Creditors' Agreement, (iii) the guarantee facility made available to the Company by Bank Polska Kasa Opieki S.A., under which, on 19 July 2008, a guarantee was granted to S.C. CET GOVORA S.A. to secure the fulfilment of the liabilities of S.C. Uzinele Sodice Govora – Ciech Chemical Group S.A., and (iv) the bilateral loan agreements concluded by CIECH S.A. with BNP Paribas S.A., Branch in Poland, Credit Agricole Corporate and Investment Bank S.A., Branch in Poland, and Fortis Bank Polska S.A.:
 - a) a mortgage or mortgages encumbering the properties owned by the Company or perpetual usufruct titles to the land held by the Company as well as any buildings erected on such land,
 - b) a registered pledge or registered pledges on shares/interests in other companies,
 - c) a financial pledge or financial pledges on shares/interests in other companies,
 - d) assignment of the Company's rights and claims for security purposes,
 - e) a financial pledge or financial pledges over the bank accounts of the Company,
- 5. the signing of other documents required by or in connection with the Loan Agreement, the Creditors' Agreement (Agreements) or agreements and understandings specified in the Agreements or in the documents, representations and agreements referred to above or stipulated in the Agreements, or the agreements, understandings, documents or representations referred to before or related to the same.

At the same time, attention was paid to the material provisions, especially for the Company's Shareholders, of the

Loan Agreement to be concluded, i.e.:

1. establishing securities on nearly all of the Ciech Group's assets,
2. implementing a material restriction for the Shareholders on their freedom to sell shares, a so called change of control clause,
3. ban on the payment of the dividend by the Company; non-observance of the ban would mean a violation of the terms of the Loan Agreement.

■ The Supervisory Board issued a positive opinion, with comments as presented above, to the General Meeting on:

1. the Company's conclusion of a pledge agreement for establishing a registered pledge or registered pledges on the Company's movable property or property rights, and for otherwise satisfying the pledgee's claims provided for by the pledge agreement or by the Act on the register pledge and the register of pledges, including the transfer of the ownership title or sale (and sale as a result of the transfer of the ownership title) of the pledged item or leasing out the Company's business, in accordance with the provisions of the respective pledge agreement or the Act on the register pledge and the register of pledges, in order to secure the fulfilment of the liabilities under (i) the Loan Agreement, (ii) the Creditors' Agreements, (iii) the guarantee facility provided to the Company by Bank Polska Kasa Opieki SA, under which, on 19 July 2008, a guarantee was granted to S.C. CET GOVORA S.A. as a security for the fulfilment of the liabilities of S.C. Uzinele Sodice Govora – Ciech Chemical Group S.A., and (iv) the bilateral loan agreements concluded by CIECH S.A. with BNP Paribas S.A., Branch in Poland, Credit Agricole Corporate and Investment Bank S.A., Branch in Poland, and Fortis Bank Polska S.A.

As a result, on 10 February 2011, a 5-year Loan Agreement was concluded with a consortium of seven commercial banks. The European Bank for Reconstruction and Development (EBRD) also became involved in financing the Group by entering the Loan Agreement on 15 February 2011.

The long-term Loan Agreement forms the basis to provide the Ciech Group with a stable and long-term financing structure, it allows for financing investment projects, and its financing terms and conditions are more favourable than before.

FINANCIAL PLAN FOR 2011

On 31 May 2011, by way of Resolution No. 181/VI/2011, the Supervisory Board issued a positive opinion on the Financial Plan for 2011 adopted by the Management Board of CIECH S.A. by way of Resolution No. 78/2011 of 6 May 2011.

INCREASE OF THE COMPANY'S SHARE CAPITAL

In February 2011 the Company finalised the process of issuing shares with a pre-emptive right as a result of which it issued 23,000,000 ordinary bearer shares. The shares as part of the new issue were allocated on 25 February 2011. According to the objectives of the issue, a part of the amount raised from the issue was earmarked for reducing the debt to the banks financing the Group, while another part was used to co-finance the Ciech Group's investment plan.

On 24 March 2011, the Supervisory Board, acting pursuant to Resolution No. 3 of the Extraordinary General Meeting of CIECH S.A. of 28 October 2010 on increasing the Company's share capital and amending the Company's Statute, adopted a Resolution on compiling a consolidated text of the Statute of CIECH S.A., after on 14 March 2011, the 13th Economic Division of the National Court Register had registered an increase of the Company's share capital to PLN 255,001,420 through the issue of series D ordinary bearer shares (Resolution No. 160/VI/2011).

The process of increasing the share capital, excluding the pre-emptive right for current Shareholders, began in May 2011. As part of performing the agreement for the purchase of ZACHEM S.A.'s shares and the agreement for the purchase of ZCh Organika-Sarzyna S.A.'s shares, the Company placed with the State Treasury an offer to purchase the remaining shares of ZACHEM and ZCh Organika-Sarzyna S.A., and later the offers were amended by agreements between the Company and the State Treasury. In the agreement of 26 May 2011, the parties agreed that

the State Treasury would acquire series E ordinary bearer shares issued by CIECH S.A. in the increased share capital of the Company by way of private subscription and that it would pay for the shares under the new issue with an in-kind contribution in the form of shares of ZACHEM S.A., ZCh Organika-Sarzyna S.A. and Alwernia SA. On 31 May 2011, the Supervisory Board of CIECH S.A. examined and issued an opinion on the CIECH S.A. Management Board's proposal on increasing the Company's share capital by way of issuing series E shares with the exclusion of the pre-emptive right for the current Shareholders, amending the Company's Statute, applying for and introducing series E shares to trading on the regulated market as well as their dematerialisation.

Finally, on 30 June 2011, the Ordinary General Meeting adopted a resolution on increasing the Company's share capital by way of issuing series E shares with the exclusion of the pre-emptive right for the current Shareholders, amending the Company's Statute, applying for and introducing series E shares to trading on the regulated market as well as their dematerialisation.

As a result of the issue, the share capital was increased to PLN 263,500,965 by way of the issue of 1,699,909 (in words: one million six hundred ninety-nine nine hundred and nine) series E ordinary bearer shares with the nominal value of PLN 5 each.

The State Treasury acquired all the series E shares and paid for them with an in-kind contribution in the form of:

- 571,826 (in words: five hundred seventy-one eight hundred and twenty-six) series A ordinary bearer shares with the nominal value of PLN 2.30 (in words: two zloty 30/100) per share and with the total nominal value of PLN 1,315,199.80 (in words: one million three hundred fifteen thousand one hundred ninety-nine zloty 80/100) of Zakłady Chemiczne Alwernia S.A., with its registered office in Alwernia, and
- 762,224 (in words: seven hundred sixty-two two hundred and twenty-four) series A ordinary bearer shares with the nominal value of PLN 10.00 (in words: ten zloty) per share and the total nominal value of PLN 7,622,240.00 (in words: seven million six hundred twenty-two thousand two hundred and forty zloty) of Zakłady Chemiczne ZACHEM S.A., with its registered office in Bydgoszcz, and
- 429,388 (in words: four hundred twenty-nine, three hundred and eighty-eight) series A ordinary registered shares with the nominal value of PLN 10.00 (in words: ten zloty) per share and the total nominal value of PLN 4,293,880.00 (in words: four million two hundred ninety-three thousand eight hundred and eighty zloty) of Zakłady Chemiczne Organika-Sarzyna S.A., with its registered office in Nowa Sarzyna.

Pursuant to the valuation of State Treasury shares, confirmed by an opinion of a statutory auditor on the fair value of the State Treasury shares issued on 26 May 2011, the value of the in-kind contribution in the form of State Treasury shares was determined at the total amount of PLN 44,299,635.84 (in words: forty-four million two hundred ninety-nine thousand six hundred thirty-five zloty 84/100), of which:

- the total value of Alwernia's Shares was determined at PLN 18,332,741.56 (in words: eighteen million, three hundred thirty-two thousand seven hundred forty-one zloty 56/100), i.e. at PLN 32.06 (in words: thirty-two zloty 06/100) per Alwernia's share;
- the total value of ZACHEM's Shares was determined at PLN 6,494,148.48 (in words: six million four hundred ninety-four thousand one hundred forty-eight zloty 48/100), i.e. PLN 8.52 (in words: eight zloty 52/100) per ZACHEM's Share;
- the total value of Organika-Sarzyna's Shares was determined at PLN 19,472,745.80 (in words: nineteen million four hundred seventy-two thousand seven hundred forty-five zloty 80/100), i.e. PLN 45.35 (in words: forty-five zloty 35/100) per Organika-Sarzyna's Share.

On 27 July 2011, CIECH S.A. concluded an Agreement for the Acquisition of Shares and the In-Kind Contribution with the State Treasury.

On 27 June 2011, by way of Resolution No. 183/VI/2011, the Supervisory Board examined and issued a positive opinion on increasing the Company's share capital by way of issuing series E shares with the exclusion of the pre-emptive right for the current Shareholders, amending the Company's Statute, applying for and introducing series E

shares to trading on the regulated market as well as their dematerialisation.

Finally, on 10 August 2011, the District Court for the Capital City of Warsaw in Warsaw, 13th Economic Division of the National Court Register, registered the amendment to the Company's Statute adopted with the Resolution of the Ordinary General Meeting of 30 June 2011 on increasing the Company's share capital by way of the issue of series E shares with the exclusion of the pre-emptive right for current Shareholders, amending the Company's Statute, applying for and introducing series E shares to trading on the regulated market as well as their dematerialisation, and registered the increase of the Company's share capital from PLN 255,001,420 to PLN 263,500,965 by way of the issue of 1,699,909 series E ordinary bearer shares of the Company with the nominal value of PLN 5 (five zloty) each.

As a result of registering the above-mentioned increase of the Company's share capital, the State Treasury's holding of CIECH S.A.'s shares of 18,707,528 shares, which represented 36.68% of the Company's share capital and carried the right to exercise 18,707,528 votes in the general number of votes at the Company's General Meeting, was increased by 2.04% to 20,407,437 shares, which represent 38.72% of the Company's share capital and carry the right to exercise 20,407,437 votes in the general number of votes at the Company's General Meeting.

In connection with the share capital increase described before, the Statute of CIECH S.A. was amended. On 10 August 2011, the 13th Economic Division of the National Court Register registered an amendment to the Company's Statute adopted with the Resolution of the Company's Ordinary General Meeting of 30 June 2011 on increasing the share capital and registering the said increase of the Company's share capital.

On 27 September 2011, the Supervisory Board, according to Resolution No. 7/VII/2011, acting pursuant to § 3 section 2 of Resolution No. 32 of the Ordinary General Meeting of CIECH S.A. of 30 June 2011 on increasing the Company's share capital by way of issuing series E shares with the exclusion of the pre-emptive right for the current Shareholders, amending the Company's Statute, applying for and introducing series E shares to trading on the regulated market as well as their dematerialisation, adopted a consolidated text of the Statute of CIECH S.A.

PREPARATIONS FOR THE ORDINARY GENERAL MEETING OF CIECH S.A. ON 30 JUNE 2011

During the meeting held on 16 May 2011, the Supervisory Board examined the following:

- 1) CIECH S.A.'s financial statements for FY 2010 (Resolution No. 161/VI/2011),
- 2) CIECH S.A.'s Management Report for 2010 (Resolution No. 162/VI/2011),
- 3) CIECH Capital Group's Consolidated Financial Statements for FY 2010 (Resolution No. 163/VI/2011),
- 4) CIECH Capital Group's Management Report for FY 2010 (Resolution No. 164/VI/2011),
- 5) CIECH S.A. Management Board's proposal on covering the loss of CIECH S.A. for 2010 from the Company's supplementary capital (Resolution No. 165/VI/2011).

Following the examination, the Supervisory Board recommended to the Ordinary General Meeting of CIECH S.A. to approve the above statements and to cover the loss of CIECH S.A. for 2010 from the Company's supplementary capital.

Furthermore, the Supervisory Board of CIECH S.A. recommended to the Ordinary General Meeting of CIECH S.A.:

- 1) to acknowledge the fulfilment of duties by the Management Board in FY 2010:
 - a) Ryszard Kunicki, acknowledgement of the fulfilment of duties as the President of the Management Board in the period from 1 January 2010 to 31 December 2010 (Resolution No. 166/VI/2011),
 - b) Andrzej Bąbaś, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 21 June 2010 to 31 December 2010 (Resolution No. 167/VI/2011),
 - c) Artur Osuchowski, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 1 January 2010 to 31 December 2010 (Resolution No. 168/VI/2011),
 - d) Rafał Rybkowski, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 21 June 2010 to 31 December 2010,
 - e) Robert Bednarski, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 1 January 2010 to 21 June 2010,
 - f) Marcin Dobrzański, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 1 January 2010 to 27 September 2010.

APPOINTMENT OF A STATUTORY AUDITOR FOR 2011

On 16 May 2011, the Supervisory Board, as part of exercising its statutory responsibilities (§ 21 section 2 item 7) of the Statute of CIECH S.A. 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 CIECH S.A.'s and the CIECH Capital Group's financial statements for FY 2011 (Resolution No. 175/VI/2011). Both sets of statements were audited by KPMG Audyt Sp. z o.o. In order to adjust to the amended *Code of Best Practice for WSE Listed Companies*, on 14 January 2011, the Supervisory Board of CIECH S.A., acting on a recommendation of the Audit Committee expressed in the Position of 24 December 2010, approved the rule for appointing the entity authorised to audit the financial statements of CIECH S.A. and the consolidated financial statements of the CIECH Group, according to which the entity authorised to audit the financial statements of CIECH S.A. may not audit the Company for longer than 5 consecutive years, the entity authorised to audit the financial statements may resume auditing the Company's statements after at least 2 years, a statutory auditor may not audit the Company for longer than 5 consecutive years and the key statutory auditor may resume auditing the Company after at least 2 years.

MONITORING THE FINANCIAL SITUATION

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 its analyses based on the Financial Plan of CIECH S.A. for 2011, which received a positive opinion from the Supervisory Board on 31 May 2011 (Resolution No. 181/VI/2011 on the Financial Plan for 2011).

The financial results of CIECH S.A. 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 Divisions and selected companies of the CIECH Capital Group were presented, and any issues of interest to the Supervisory Board members were clarified.

MERGER OF COMPANIES: CIECH S.A., IZCh SODA MAŁY S.A. AND JZS JANIKOSODA S.A.

In June 2011, the Company's Management Board decided to start proceedings aimed at merging the companies CIECH S.A., IZCh SODA MAŁY S.A. and JZS JANIKOSODA S.A. On 27 September 2011, the Supervisory Board issued a positive opinion on the Merger Plan for CIECH S.A., IZCh SODA MAŁY S.A. and JZS JANIKOSODA S.A., drawn up according to Article 492 § 1 item 1 of the CCC, taking into consideration Article 516 § 6 of the CCC providing for merger by acquisition, where CIECH S.A. will be the Acquiring Company and the merger will be effected by transferring the assets of the Acquired Companies, SODA MAŁY S.A. and JANIKOSODA S.A., to the Acquiring Company, CIECH S.A. The Merger Plan was published in the Court and Commercial Gazette of 9 September 2011. According to the above Plan, considering the fact that CIECH S.A. is a shareholder of the Acquired Companies, i.e. SODA MAŁY S.A. and JANIKOSODA S.A., as a result of which the value of the assets of SODA MAŁY S.A. and JANIKOSODA S.A. is already included in the assets of CIECH S.A. as long-term investments, no plans were made to create new shares pursuant to the provision of Article 514 § 1 of the CCC. The merger will be carried out without increasing the share capital of CIECH S.A. in accordance with Article 515 § 1 of the Commercial Companies Code. As a result of the merger, the Acquiring Company is not expected to award any rights referred to in Article 499 § 1 of the CCC. The acquisition of the Acquired Companies will not cause any amendments to the Statute of CIECH S.A.

On 7 November 2011, the Extraordinary General Meeting of CIECH S.A. approved the Merger Plan for CIECH S.A., SODA MAŁY S.A. and JANIKOSODA S.A., which received a positive opinion from the Company's Supervisory Board. Based on the initial results of analyses performed, on 21 February 2012, the Management Board decided to undertake further measures to ensure an optimal merger method.

Furthermore, in 2011 the Supervisory Board of CIECH S.A.:

- approved the conclusion by CIECH S.A. and ZCh Zachem S.A. of an agreement pursuant to which CIECH S.A. would acquire from Zachem S.A. shares representing 100% of the share capital of CIECH Pianki Sp. z o.o. (Resolution 182/VI/2011 of 22.06.2011),
- issued a positive opinion on the document Financial Hedging Strategy for the Ciech Group. Rules for managing the FX risk and the interest rate risk. (Resolution No. 15/VII/2011 of 05.10.2011),
- approved the granting of a guarantee by CIECH S.A. to Air Products LLC, USA and Air Products Chemicals Europe B.V., The Netherlands for payments for amine (TDA) supplies to ZCh Zachem SA during the period from 1 January 2012 to 30 June 2012 (Resolution No. 16/VII/2011 of 30.11.2011),

- approved the signing by CIECH S.A. of letters of comfort addressed to VASA Kraftwerke-Pool GmbH & Co. KG, with its registered office in Stassfurt, regarding the financial liabilities of Kraftwerkgesellschaft Stassfurt GmbH, with its registered office in Stassfurt, and Sodawerk Stassfurt GmbH & Co. KG, with its registered office in Stassfurt (Resolution No. 22/VII/2011 of 14.12.2011),
- approved a contribution to Cheman S.A. in the form of CIECH S.A.'s claims against Cheman S.A. on account of borrowings granted, acquiring new issue shares in return for the contribution made as well as paying for the new issue shares with the above-mentioned claims (Resolution No. 23/VII/2011 of 14.12.2011).

ACTIVITIES OF THE AUDIT COMMITTEE OF CIECH S.A.'S SUPERVISORY BOARD IN 2011

This information includes:

- Information on the composition of the Audit Committee of CIECH S.A.'s Supervisory Board in 2011
- Discussion of the activities of the Audit Committee of CIECH S.A.'s Supervisory Board in 2011, including information about issues discussed during the Committee's meetings.

INFORMATION ABOUT THE COMPOSITION AND TASKS OF THE AUDIT COMMITTEE

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

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

The responsibilities and duties of the Committee 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 financial revision,
- 6) monitoring the autonomy of the statutory auditor and the entity authorised to audit the Company's financial statements.

As of 1 January 2011, the Audit Committee was composed of:

1. Waldemar Maj – Chairman,
2. Przemysław Cieszyński,
3. Krzysztof Salwach,
4. Sławomir Stelmasiak.

As of 31 December 2011, the Audit Committee of CIECH S.A.'s Supervisory Board was composed of:

Waldemar Maj	Committee Member (from 2 July 2010)
	Committee Chairman (from 4 August 2010)
Przemysław Cieszyński	Committee Member (from 2 July 2010)
Sławomir Stelmasiak	Committee Member (from 2 July 2010)
Krzysztof Salwach	Committee Member (from 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.

As of the date of this Report, the Committee was composed of:

Waldemar Maj	Committee Member (from 2 July 2010)
	Committee Chairman (from 4 August 2010)
Przemysław Cieszyński	Committee Member (from 2 July 2010)
Sławomir Stelmasiak	Committee Member (from 2 July 2010)
Mariusz Obszyński	Committee Member (from 8 February 2012)

ACTIVITIES OF THE AUDIT COMMITTEE IN 2011

In 2011, the Audit Committee of the Supervisory Board of CIECH S.A. held 5 (five) meetings at the Company's registered office in Warsaw, ul. Puławska 182. On 29 November 2010, the Supervisory Board approved the Regulations of the Audit Committee (Resolution No. 148/VI/2010).

In 2011, the main topics addressed by the Audit Committee were:

Financial statements of CIECH S.A. and of the CIECH Capital Group

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

The Audit Committee analysed the financial statements of CIECH S.A. for 2010 and the Management Report of CIECH S.A. for 2010 as well as the Company's Management Board's proposal on covering the loss of CIECH S.A. for 2010 from the Company's supplementary capital.

The Audit Committee recommended to the Supervisory Board to express a positive opinion for the Ordinary General Meeting of CIECH S.A. on approving these documents.

Furthermore, the Audit Committee examined the CIECH Capital Group's Consolidated Financial Statements and its Management Report for 2010 prepared by the CIECH S.A.'s Management Board, and recommended to the Supervisory Board of CIECH S.A. to express a positive opinion for the Ordinary General Meeting of CIECH S.A. on approving these documents.

CIECH S.A.'s Supervisory Board, after examining the recommendations of the Audit Committee, expressed a positive opinion on the above documents at its meeting on 16 May 2011.

Covering the loss of CIECH S.A. for 2010

The Management Board of CIECH S.A. proposed to the General Meeting of CIECH S.A. to cover the loss for FY 2010 in the amount of PLN 5,038,356.45 from the Company's supplementary capital.

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

The Supervisory Board of CIECH S.A., availing itself of the Audit Committee's position, expressed a positive opinion on the CIECH S.A. Management Board's proposal at its meeting on 16 May 2011.

Appointment of a statutory auditor

In connection with the requirement for the Supervisory Board of CIECH S.A. to appoint a statutory auditor to audit the separate financial statements of CIECH S.A. and the consolidated financial statements of the CIECH Capital Group for 2011, and in connection with the adopted rule for appointing the entity authorised to audit the financial statements of CIECH S.A. and the consolidated financial statements of the CIECH Group, according to which the entity authorised to audit financial statements may not audit the Company/Group for longer than 5 consecutive years, the Audit Committee reviewed and analysed the proposals for auditing statements submitted by auditors.

The Audit Committee delegated one member to actively participate in the process of appointing the auditor. The AC's representative participated in most of the meetings with the bidders and worked with the tender team on a strategy to negotiate the terms of auditing services.

After completing the tender procedure, the Audit Committee recommended to the Supervisory Board of CIECH S.A. to appoint KPMG Audyt Sp. z o.o. as the statutory auditor to audit CIECH S.A.'s and the CIECH Capital Group's financial statements for 2011.

On 16 May 2011, by way of Resolution No. 175/VI/2011, CIECH S.A.'s Supervisory Board, availing itself of the Audit Committee's recommendation, appointed KPMG Audyt Sp. z o.o. as the statutory auditor to audit CIECH S.A.'s and the CIECH Capital Group's financial statements for 2011.

Cooperation with the statutory auditor

In 2011, the Audit Committee held a number of meetings with the statutory auditor of CIECH S.A., i.e. representatives of KPMG Audyt Sp. z o.o., during which it discussed the audit of the separate and consolidated financial statements of CIECH S.A.

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 the Letter to the Management Board for 2010.

Other issues:

In addition, in 2011, the Audit Committee:

- reviewed material agreements, transactions with related entities and the information on transfer prices,
- reviewed the schedule and performance of tasks related to the Restructuring Programme,
- reviewed the internal control and risk management systems of the CIECH Group,
- reviewed main risks occurring in the CIECH Group,
- reviewed the internal control and audit plan,
- prepared a recommendation for the Supervisory Board on the Rule for appointing an entity authorised to audit CIECH S.A.'s financial statements and the CIECH Group's consolidated financial statements.

ACTIVITIES OF THE REMUNERATION COMMITTEE OF CIECH S.A.'S SUPERVISORY BOARD IN 2011

This report includes:

- Information on the composition and tasks of the Remuneration Committee in 2011
- Discussion of the activities of the Remuneration Committee in 2011.

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 S.A.'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 S.A.

The Committee's tasks include in particular:

- 1) presenting to the Supervisory Board a proposal concerning the rules for remunerating the Members of the Management Board of CIECH S.A., which should take into account all forms of remuneration, in particular: base remuneration, performance-based reward system, pension and severance pay system,

- 2) presenting to the Supervisory Board a proposal concerning the amount of remuneration for every Member of the Management Board of CIECH S.A.,
- 3) presenting to the Management Board draft agreements regulating the duties of the Members of CIECH S.A.'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 S.A.,
- 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 of 1 January 2011, the Remuneration Committee was composed of:

1. Jacek Goszczyński,
2. Arkadiusz Grabalski.

As of 31 December 2011, the composition of the Committee remained unchanged.

Jacek Goszczyński Committee Member (from 2 July 2010)

Arkadiusz Grabalski Committee Member (from 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 by appointing Dariusz Krawczyk.

In connection with the above, as of the date of the Report, the said Committee was composed of:

Arkadiusz Grabalski Committee Member (from 2 July 2010)

Dariusz Krawczyk Committee Member (from 8 February 2012)

ACTIVITIES OF THE REMUNERATION COMMITTEE

In 2011, the Remuneration Committee of the Supervisory Board discussed the following:

- 1) determining and preparing a recommendation for the Supervisory Board on the amount of the bonus for the Management Board for H2 2010,
- 2) determining and preparing a recommendation for the Supervisory Board on the task bonus for Q1, 2011,
- 3) preparing assumptions for the Regulations of awarding task-based bonuses to the Management Board of CIECH S.A.,
- 4) drawing up the Regulations of awarding task-based bonuses to the Management Board of CIECH S.A.,
- 5) determining and preparing a recommendation for the Supervisory Board on the task-based bonus for Q2 2011,
- 6) determining and preparing a recommendation for the Supervisory Board on the task-based bonus for Q3 2011.

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

ASSESSMENT OF THE COMPANY'S MANAGEMENT REPORT FOR FY 2011 AND OF ITS SEPARATE FINANCIAL STATEMENTS FOR FY 2011 FOR THEIR COMPLIANCE WITH THE BOOKS, DOCUMENTS AND THE FACTUAL STATUS, AND ASSESSMENT OF THE PROPOSAL OF CIECH S.A.'S MANAGEMENT BOARD ON DISTRIBUTING CIECH S.A.'S NET PROFIT FOR THE PERIOD FROM 1 JANUARY 2011 TO 31 DECEMBER 2011

Pursuant to Article 382 § 3 of the Commercial Companies Code and § 21 section 2 item 1) of the Statute of CIECH S.A. as well as § 3 section 2 item 1) of the Regulations of the Supervisory Board of CIECH S.A., the Supervisory

Board assessed CIECH S.A.'s Management Report for FY 2011 and its Separate Financial Statements for FY 2011 for their compliance with the books, documents and the factual status, and assessed CIECH S.A. Management Board's proposal on the distribution of CIECH S.A.'s net profit of for the period from 1 January 2011 to 31 December 2011.

ASSESSMENT OF THE COMPANY'S SEPARATE FINANCIAL STATEMENTS FOR FY 2011

Pursuant to Resolution No. 175/VI/2011 of 16 May 2011, the financial statements of CIECH S.A. for FY 2011 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 2011, 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, comply with the provisions of the law governing the contents of the separate financial statements as well as the provisions of the Company's Statute, and have been drawn up on the basis of correctly kept accounting books in all material aspects.

The comparative data has been presented on the basis of the separate financial statements of the Company for the financial year ending 31 December 2010. The financial statements were audited by another authorised auditor, who issued an unqualified opinion on 20 April 2011.

On 16 April 2012, the Audit Committee of CIECH S.A.'s Supervisory Board recommended to the Supervisory Board to present to the Ordinary General Meeting of CIECH S.A. a positive opinion on approving CIECH S.A.'s separate financial statements for FY 2011.

The Supervisory Board of CIECH S.A. concluded that the above statements satisfy the requirements stipulated in the Accounting Act of 29 September 1994 (J.L. of 2009, No. 152, item 1223, as amended).

ASSESSMENT OF THE COMPANY'S MANAGEMENT REPORT FOR FY 2011

The Supervisory Board read the Management Report for FY 2011 and the opinion of the statutory auditor.

The statutory auditor concluded that the Company's Management Report for FY 2011, 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 16 April 2012, the Audit Committee of CIECH S.A.'s Supervisory Board recommended to the Supervisory Board to present to the Ordinary General Meeting of CIECH S.A. a positive opinion on approving the said report.

The Supervisory Board of CIECH S.A. concluded that CIECH S.A.'s Management Report for FY 2011 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.

ASSESSMENT OF THE PROPOSAL OF CIECH S.A.'S MANAGEMENT BOARD TO FULLY EARMARK CIECH S.A.'S NET PROFIT FOR FY 2011 FOR THE COMPANY'S SUPPLEMENTARY CAPITAL

On 16 April 2012, the Audit Committee of CIECH S.A.'s Supervisory Board expressed a positive opinion on the Management Board's proposal to fully earmark CIECH S.A.'s net profit for the period from 1 January 2011 to 31 December 2011 in the amount of PLN 351,175,695.21 (in words: three hundred fifty-one million one hundred seventy-five thousand six hundred and ninety-five zloty 21/100) for the Company's supplementary capital.

The Supervisory Board of CIECH S.A., considering the provisions of the Loan Agreement of 10 February 2011, in which CIECH S.A. undertook not to declare or pay out divided until achieving a relatively low level of the net debt ratio, which as of now has not been achieved, and considering the positive recommendation from the Audit Committee on this matter, expressed a positive opinion on the Management Board's proposal to fully earmark CIECH S.A.'s net profit for the period from 1 January 2011 to 31 December 2011 in the amount of PLN 351,175,695.21 (in words: three hundred fifty-one million one hundred seventy-five thousand six hundred and ninety-five zloty 21/100) for the Company's supplementary capital.

ASSESSMENT OF THE CIECH CAPITAL GROUP'S MANAGEMENT REPORT FOR FY 2011 AND ITS CONSOLIDATED FINANCIAL STATEMENTS FOR FY 2011

Pursuant to Article 382 § 3, in connection with Article 395 § 5 of the Commercial Companies Code and § 21 section 2 item 1) of the Statute of CIECH S.A. as well as § 3 section 2 item 1) of the Supervisory Board's Regulations, the Supervisory Board of CIECH S.A. assessed the CIECH Capital Group's Management Report for FY 2011 and its Consolidated Financial Statements for FY 2011 for their compliance with the books, documents and the factual status.

ASSESSMENT OF THE CIECH CAPITAL GROUP'S CONSOLIDATED FINANCIAL STATEMENTS FOR FY 2011

Pursuant to Resolution No. 123/VI/2010 of 11 June 2010, the Consolidated Financial Statements of the CIECH Capital Group for FY 2010 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 FY 2011 in all material aspects: give a true and fair view of the Capital Group's economic and financial situation as of 31 December 2011, 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 comply with the provisions of the law governing the contents of the consolidated financial statements that are applicable to the Capital Group. The comparative data has been presented on the basis of the consolidated financial statements of the Capital Group for the financial year ending 31 December 2010. The statements were audited by another authorised auditor, who expressed an unqualified opinion on 20 April 2011.

On 16 April 2012, the Audit Committee of CIECH S.A.'s Supervisory Board expressed a positive opinion on the Management Board's proposal concerning the position of the Supervisory Board on approving the CIECH Capital Group's Consolidated Financial Statements for FY 2011.

The Supervisory Board concluded that the above statements satisfy the requirements stipulated in the Accounting Act of 29 September 1994 (J.L. of 2009, No. 152, item 1223, as amended).

ASSESSMENT OF THE CIECH CAPITAL GROUP'S MANAGEMENT REPORT FOR FY 2011

The Supervisory Board read the CIECH Capital Group's Management Report for FY 2011 and the statutory auditor's opinion.

The statutory auditor concluded that the CIECH Capital Group's Management Report for FY 2011, 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 16 April 2012, the Audit Committee of CIECH S.A.'s Supervisory Board recommended to the Supervisory Board to present to the Ordinary General Meeting of CIECH S.A. a positive opinion on approving the CIECH Capital Group's Management Report for FY 2011.

The Supervisory Board concluded that the CIECH Capital Group's management report for FY 2011 satisfies the requirements stipulated in the Accounting Act of 29 September 1994 (J.L. of 2009, No. 152, item 1223, as amended).

RECOMMENDATIONS FOR THE ORDINARY GENERAL MEETING OF CIECH S.A.

The assessment by the Supervisory Board of the Financial Statements of CIECH S.A. for 2011 and the Company's Management Report for 2011 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 Company's Management Report for FY 2011 gives a true and fair view of all material aspects of the Company's operations as well as information material for assessing its economic and financial situation.

The Supervisory Board of CIECH S.A., having read the submitted consolidated financial statements of the CIECH Capital Group for FY 2011 and the CIECH Capital Group's Management Report for FY 2011, concluded that the report and the statements are coherent, consistent with the books and documents available to the Supervisory Board, and that they present all material aspects of the CIECH Capital Group's activities in accordance with the factual status.

The Supervisory Board of CIECH S.A. also analysed CIECH S.A. Management Board's proposal on fully earmarking CIECH S.A.'s net profit for the period from 1 January 2011 to 31 December 2011 in the amount of PLN 351,175,695.21 (in words: three hundred fifty-one million one hundred seventy-five thousand six hundred and ninety-five zloty 21/100) for the Company's supplementary capital, as specified in Resolution No. 66/2012 of CIECH S.A.'s Management Board of 10 April 2012 on the proposed distribution of CIECH S.A.'s profit for FY 2011.

In consideration of the above, CIECH S.A.'s Supervisory Board recommends to the Ordinary General Meeting of CIECH S.A. to approve the following:

- 1) *CIECH S.A.'s Separate Financial Statements for FY 2011,*
- 2) *Company's Management Report for FY 2011,*
- 3) *CIECH Capital Group's Consolidated Financial Statements for FY 2011,*
- 4) *CIECH Capital Group's Management Report for FY 2011,*

and

proposes that the Ordinary General Meeting of CIECH S.A. adopts a resolution on fully earmarking CIECH S.A.'s net profit for 2011 in the amount of PLN 351,175,695.21 (in words: three hundred fifty-one million one hundred seventy-five thousand six hundred and ninety-five zloty 21/100) for the Company's supplementary capital.

Furthermore, CIECH S.A.'s Supervisory Board recommends to the Ordinary General Meeting of CIECH S.A. to acknowledge the fulfilment of duties by the following members of CIECH S.A.'s 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,*
- 2) *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,*
- 3) *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,*
- 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. 9
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012

on acknowledging the fulfilment of duties as the President of CIECH S.A.'s Management Board in the period from 1 January 2011 to 31 December 2011 by Ryszard Kunicki

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 3) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. acknowledges the fulfilment of duties as the President of CIECH S.A.'s Management Board in the period from 1 January 2011 to 31 December 2011 by Ryszard Kunicki.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: ... *Percentage share of these shares in the share capital:*

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.

Re item 15 of the agenda

RESOLUTION No. 10
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012

on acknowledging the fulfilment of duties as a Member of CIECH S.A.'s Management Board in the period from 1 January 2011 to 31 December 2011 by Andrzej Bąbaś

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 3) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. acknowledges the fulfilment of duties as a Member of CIECH S.A.'s Management Board in the period from 1 January 2011 to 31 December 2011 by Andrzej Bąbaś.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: ... *Percentage share of these shares in the share capital:*

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.

Re item 15 of the agenda

**RESOLUTION No. 11
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012**

on acknowledging the fulfilment of duties as a Member of CIECH S.A.'s Management Board in the period from 1 January 2011 to 31 December 2011 by Artur Osuchowski

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 3) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. acknowledges the fulfilment of duties as a Member of CIECH S.A.'s Management Board in the period from 1 January 2011 to 31 December 2011 by Artur Osuchowski.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: Percentage share of these shares in the share capital:

...

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.

Re item 15 of the agenda

**RESOLUTION No. 12
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012**

on acknowledging the fulfilment of duties as a Member of CIECH S.A.'s Management Board in the period from 1 January 2011 to 31 December 2011 by Rafał Rybkowski

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 3) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. acknowledges the fulfilment of duties as a Member of CIECH S.A.'s Management Board in the period from 1 January 2011 to 31 December 2011 by Rafał Rybkowski.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: Percentage share of these shares in the share capital:

...

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.

Re item 16 of the agenda

***RESOLUTION No. 13
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012***

on acknowledging the fulfilment of duties as a Member and the Chairwoman of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 31 December 2011 by Ewa Sibrecht-Ośka

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 3) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. acknowledges the fulfilment of duties as a Member and the Chairwoman of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 31 December 2011 by Ewa Sibrecht-Ośka.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: Percentage share of these shares in the share capital:

...

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.

Re item 16 of the agenda

RESOLUTION No. 14
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012

on acknowledging the fulfilment of duties as a Member of the Supervisory Board in the period from 1 January 2011 to 31 December 2011 and Vice-Chairman of CIECH S.A.'s Supervisory Board in the period from 12 July 2011 to 31 December 2011 by Przemysław Cieszyński

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 3) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. acknowledges the fulfilment of duties as a Member of the Supervisory Board in the period from 1 January 2011 to 31 December 2011 and Vice-Chairman of CIECH S.A.'s Supervisory Board in the period from 12 July 2011 to 31 December 2011 by Przemysław Cieszyński.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: ... Percentage share of these shares in the share capital:

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.

Re item 16 of the agenda

RESOLUTION No. 15
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012

on acknowledging the fulfilment of duties as a Member of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 31 December 2011 by Arkadiusz Grabalski

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 3) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. acknowledges the fulfilment of duties as a Member of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 31 December 2011 by Arkadiusz Grabalski.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: Percentage share of these shares in the share capital:

...

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.

Re item 16 of the agenda

**RESOLUTION No. 16
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012**

on acknowledging the fulfilment of duties as a Member of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 31 December 2011 by Waldemar Maj

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 3) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. acknowledges the fulfilment of duties as a Member of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 31 December 2011 by Waldemar Maj.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: Percentage share of these shares in the share capital:

...

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.

Re item 16 of the agenda

**RESOLUTION No. 17
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012**

on acknowledging the fulfilment of duties as a Member of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 31 December 2011 by Sławomir Stelmasiak

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 3) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. acknowledges the fulfilment of duties as a Member of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 31 December 2011 by Sławomir Stelmasiak.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: Percentage share of these shares in the share capital:
...

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.

Re item 16 of the agenda

***RESOLUTION No. 18
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012***

on acknowledging the fulfilment of duties as a Member of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 31 December 2011 and the Vice-Chairman of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 12 July 2011 by Jacek Goszczyński

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 3) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. acknowledges the fulfilment of duties as a Member of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 31 December 2011 and the Vice-Chairman of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 12 July 2011 by Jacek Goszczyński.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: ... Percentage share of these shares in the share capital:

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.

**RESOLUTION No. 19
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012**

on acknowledging the fulfilment of duties as a Member of CIECH S.A.'s Supervisory Board and as the Secretary of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 31 December 2011 by Krzysztof Salwach

Acting pursuant to Article 393 item 1) and Article 395 § 2 item 3) of the Commercial Companies Code and § 18 item 1) of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. acknowledges the fulfilment of duties as a Member of CIECH S.A.'s Supervisory Board and as the Secretary of CIECH S.A.'s Supervisory Board in the period from 1 January 2011 to 31 December 2011 by Krzysztof Salwach.

§ 2

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: ... Percentage share of these shares in the share capital:

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.

Re item 17 of the agenda

**RESOLUTION No. 20
OF THE ORDINARY GENERAL MEETING OF CIECH S.A.
of 25 June 2012**

on supplementing the composition of the Supervisory Board of CIECH S.A.

Acting pursuant to Article 385 § 1 of the Commercial Companies Code, in connection with § 18 item 7) and § 20 section 1 of CIECH S.A.'s Statute, it is resolved as follows:

§ 1

The Ordinary General Meeting of CIECH S.A. appoints Mr/Ms (PESEL) to sit in the Supervisory Board of CIECH S.A.

The resolution comes to force as of its passing.

Number of shares based on which valid votes were cast: Percentage share of these shares in the share capital:
...

Total number of valid votes:

For:

Against:

Abstained:

The resolution shall be adopted by secret ballot.
