

In connection with the conclusion on 22 June 2011 of an Addendum to the Understanding of 26 May 2011 between CIECH S.A. and the State Treasury of the Republic of Poland, CIECH's Management Board has decided to adopt the following resolution:

**RESOLUTION No. 128/2011  
of Ciech S.A.'s (Company) Management Board  
of 22 June 2011**

on

**adopting an opinion on excluding the pre-emptive right for the Company's existing shareholders in connection with the issue of series E shares**

Considering that:

1. During the next Ordinary General Shareholders' Meeting of CIECH S.A., with its registered office in Warsaw (referred to as **GSM**, and **CIECH** or **Company** respectively), the shareholders will vote on a resolution on increasing the Company's share capital by issuing series E shares, excluding the existing shareholders' pre-emptive right, amending the Company's Statute, applying for and introducing the series E shares to trading on the regulated market, and on dematerialising these shares (**Resolution**).
2. If the Resolution is adopted, CIECH shall offer to the State Treasury of the Republic of Poland the acquisition of 1,699,909 (in words: one million six hundred ninety-nine thousand nine hundred nine) series E ordinary bearer shares with a nominal value of PLN 5.00 (in words: five zloty 00/100) each (**New Issue Shares**), and the pre-emptive right to the New Issue Shares shall be fully excluded.
3. As a result of the issue of the New Issue Shares, CIECH's share capital shall be increased by PLN 8,499,545 (in words: eight million four hundred ninety-nine thousand five hundred forty-five zloty 00/100) to PLN 263,500,965 (in words: two hundred sixty-three million five hundred thousand nine hundred sixty-five zloty 00/100).
4. Pursuant to Article 433 § 2 of the Commercial Companies Code Act of 15 September 2000 (J.L. of 2000, No. 94, item 1037, as amended; **CCC**), the Company's Management Board is obliged to present to the GSM a written opinion explaining the reasons for excluding the pre-emptive right as well as the proposed issue price or the method for determining such price.

In consideration of the above

**§1**

CIECH's Management Board has decided to adopt an opinion on excluding the pre-emptive right for CIECH's existing shareholders in connection with the issue of the New Issue Shares, reading as follows:

## OPINION OF CIECH'S MANAGEMENT BOARD ON EXCLUDING THE PRE-EMPTIVE RIGHT OF CIECH'S EXISTING SHAREHOLDERS IN CONNECTION WITH THE ISSUE OF THE SERIES E SHARES

All 1,699,909 (in words: one million six hundred ninety-nine thousand nine hundred nine) series E ordinary bearer shares with a nominal value of PLN 5.00 (in words: five zloty 00/100) each (**New Issue Shares**) shall be offered for acquisition to the State Treasury of the Republic of Poland (**State Treasury**). The New Issue Shares shall be acquired in exchange for an in-kind contribution with a total value of PLN 44,299,635.84 (in words: forty-four million two hundred ninety-nine thousand six hundred thirty-five zloty 84/100) in the form of the **State Treasury Shares**, including:

- 1) 571,826 (in words: five hundred seventy-one eight hundred twenty-six) ordinary bearer shares with a nominal value of PLN 2.30 (in words: two zloty 30/100) per share and a 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 Alwernia S.A., with its registered office in Alwernia (later referred to as **Alwernia** and **Alwernia's Shares** respectively), with a total value of PLN 18,332,741.56 (in words: eighteen million three hundred thirty-two thousand seven hundred forty-one zloty 56/100), i.e. one Alwernia's Share is worth PLN 32.06 (in words: thirty-two zloty 06/100), and
- 2) 762,224 (in words: seven hundred sixty-two two hundred twenty-four) shares with a nominal value of PLN 10.00 (in words: ten zloty 00/100) per share and a total nominal value of PLN 7,622,240.00 (in words: seven million six hundred twenty-two thousand two hundred forty zloty 00/100) of Zakłady Chemiczne ZACHEM S.A., with its registered office in Bydgoszcz (later referred to as **Zachem** and **Zachem's Shares** respectively), with a total value of PLN 6,494,148.48 (in words: six million four hundred ninety-four thousand one hundred forty-eight zloty 48/100), i.e. one Zachem's Share is worth PLN 8.52 (in words: eight zloty 52/100), and
- 3) 429,388 (in words: four hundred twenty-nine three hundred eighty-eight) shares with a nominal value of PLN 10.00 (in words: ten zloty 00/100) per share and a total nominal value of PLN 4,293,880.00 (in words: four million two hundred ninety-three thousand eight hundred eighty zloty 00/100) of Zakłady Chemiczne Organika-Sarzyna S.A., with its registered office in Nowa Sarzyna (later referred to as **Organika-Sarzyna** and **Organika-Sarzyna's Shares** respectively), with a total value of PLN 19,472,745.80 (in words: nineteen million four hundred seventy-two thousand seven hundred forty-five zloty 80/100), i.e. one Organika-Sarzyna's Share is worth PLN 45.35 (in words: forty-five zloty 35/100).

The issue price is PLN 26.06 (in words: twenty-six zloty 06/100) per each New Issue Share. The total issue price of the shares issued by CIECH in connection with increasing the share capital shall amount to PLN 44,299,628.54 (in words: forty-four million two hundred ninety-nine thousand six hundred twenty-eight zloty 54/100). The total issue price of the New Issue Shares shall not exceed the total in-kind contribution in the form of the State Treasury Shares contributed by the State Treasury to pay for the New Issue Shares. The difference between the total issue price of the New Issue Shares and their nominal value is a share premium, which shall be appropriated to the Company's supplementary capital according to Article 396 § 2 CCC.

The issue price of the New Issue Shares was determined based on the average share prices of CIECH at the Warsaw Stock Exchange (**WSE**), weighted by the turnover volume from the last three months, from 1 February 2011 to 30 April 2011.

The number of the New Issue Shares was determined using the following formula:

**Ciech S.A.**  
ul. Puławska 182  
02-670 Warsaw  
Phone (+48 22)63910 00  
Fax (+48 22) 639 14 51  
ciech@ciech.com  
www.ciech.com

Bank account:  
Citibank Handlowy S.A.  
6th Branch in Warsaw  
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  
13<sup>th</sup> Economic Division of the National  
Court Register, KRS 0000011687

Share capital:  
PLN 255,001,420.00 (fully paid)

$$L_{ANE} = \frac{WA}{CE_{ANE}}$$

where:

- L<sub>ANE</sub>** number of New Issue Shares (if L<sub>ANE</sub> is not an integer, it will be rounded down to the nearest integer)
- WA** value of State Treasury Shares
- CE<sub>ANE</sub>** issue price of New Issue Shares

Acquiring the New Issue Shares in exchange for the in-kind contribution in the form of the State Treasury Shares results from the Understanding concluded on 26 May 2011 between CIECH and the State Treasury (**Parties, Understanding**), amended by the Addendum of 22 June 2011, and constitutes an alternative to CIECH's purchase from the State Treasury of Zachem's Shares and Organika-Sarzyna's Shares as a result of share sale agreements which could be concluded in the process of accepting the share acquisition offering. On 20 December 2006, CIECH submitted irrevocable offers for the acquisition of these shares to the State Treasury (**Share Acquisition Offers**). The State Treasury has the right to accept the Share Acquisition Offers by their expiry date, i.e. 20 December 2016.

CIECH's binding with the Share Acquisition Offers results in uncertainty for the Company and its shareholders with regard to the date when the State Treasury accepts the Share Acquisition Offers and leads to financial consequences, such as CIECH's payment of the sale price for Zachem's Shares and Organika-Sarzyna's Shares as a result of the State Treasury acceptance of the Share Acquisition Offers. As a result of the conclusion and performance of the Understanding, i.e. a share capital increase through the issue of the New Issue Shares and the in-kind contribution in the form of the State Treasury Shares, the Company will no longer face uncertainty and will not be obliged to pay the price for Zachem's Shares and Organika-Sarzyna's Shares.

In addition, in connection with the State Treasury's intention to sell Alwernia's Shares and in connection with CIECH's divestment from Alwernia, as part of which CIECH allows for a temporarily greater commitment to Alwernia, the Parties made arrangements to integrate Alwernia's Shares in the Understanding. As a result of the State Treasury's in-kind contribution to CIECH in the form of Alwernia's Shares, CIECH will acquire nearly a 100% share in the share capital (and in the votes at the general meeting) of Alwernia, allowing it to make decisions on that company's operations and to shape its capital structure.

Considering the presented explanation, it must be stressed that offering all New Issue Shares to the State Treasury and the related exclusion of CIECH's shareholders' pre-emptive right to the New Issue Shares is in the Company's interest and does not contradict the interest of its existing shareholders. Therefore, the Company's Management Board recommends to the General Meeting to pass the proposed resolution and to fully exclude the pre-emptive right to the New Issue Shares.

## §2

1. The resolution comes into force as of its passing.
2. Resolution No. 97/2011 of 27 May 2011 becomes void.

The voting was conducted by an open/secret ballot.

**Ciech S.A.**  
 ul. Puławska 182  
 02-670 Warsaw  
 Phone (+48 22)63910 00  
 Fax (+48 22) 639 14 51  
 ciech@ciech.com  
 www.ciech.com

Bank account:  
 Citibank Handlowy S.A.  
 6th Branch in Warsaw  
 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  
 13<sup>th</sup> Economic Division of the National  
 Court Register, KRS 0000011687

Share capital:  
 PLN 255,001,420.00 (fully paid)

Participants present: 3

For: 3

Against: 0

Abstained: 0

Signatures of the members of CIECH S.A.'s  
Management Board:

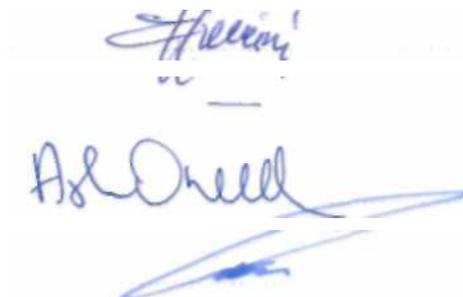
1 Ryszard Kunicki – President of the  
Management Board

2. Andrzej Bąbaś – Member of the  
Management Board

3. Artur Osuchowski – Member of the  
Management Board

4. Rafał Rybkowski – Member of the  
Management Board

Signature:



**Ciech S.A.**

ul. Puławska 182  
02-670 Warsaw  
Phone (+48 22)63910 00  
Fax (+48 22) 639 14 51  
ciech@ciech.com  
www.ciech.com

Bank account:  
Citibank Handlowy S.A.  
6th Branch in Warsaw  
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  
13<sup>th</sup> Economic Division of the National  
Court Register, KRS 0000011687

Share capital:  
PLN 255,001,420.00 (fully paid)