

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on election of the Chairperson of the Annual Shareholders' Meeting

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

§1

The Annual Shareholders' Meeting of CIECH S.A. appoints Mr/Ms as the Chairperson of the Meeting.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on adoption of the agenda of the Annual Shareholders' Meeting

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

§1

The Annual Shareholders' Meeting of CIECH S.A. adopts the following agenda of the Annual Shareholders' Meeting Of CIECH S.A.:

1. Opening of the Annual Shareholders' Meeting.
2. Election of the Chairperson of the Annual Shareholders' Meeting.
3. Determination of correctness of convening of the Annual Shareholders' Meeting and its capability of adopting resolutions.
4. Adoption of the agenda.
5. Submission by the Management Board of the Report on operations of CIECH S.A. in the financial year 2010 and the Financial Statements of CIECH S.A. for the financial year 2010.
6. Submission by the Management Board of the Report on operations of the CIECH Capital Group in the financial year 2010 and the Consolidated Financial Statements of the CIECH Capital Group for the financial year 2010.
7. Submission of the Management Board's motion for compensation for loss of CIECH S.A. for the financial year

2010.

8. Submission of the Supervisory Board's report on its activities in the financial year 2010 and a report on the results of the assessment of the Management Board's reports on operations of CIECH S.A. and the CIECH Capital Group, financial statements of CIECH S.A. and the CIECH Capital Group for the financial year 2010, and the Management Board's motion for compensation for loss of CIECH S.A. for 2010.
9. Adoption of a resolution on approval of the Report on operations of CIECH S.A. in 2010.
10. Adoption of a resolution on approval of the Financial Statements of CIECH S.A. for the financial year 2010.
11. Adoption of a resolution on approval of the Report on operations of the CIECH Capital Group in 2010.
12. Adoption of a resolution on approval of the Consolidated Financial Statements of the CIECH Capital Group for the financial year 2010.
13. Adoption of a resolution on compensation for loss of CIECH S.A. for the financial year 2010.
14. Adoption of a resolution on approval of the Supervisory Board's report on its activities in the financial year 2010 and a report on the results of the assessment of the Management Board's reports on operations of CIECH S.A. and the CIECH Capital Group, financial statements of CIECH S.A. and the CIECH Capital Group for the financial year 2010, and the Management Board's motion for compensation for loss of CIECH S.A. for 2010.
15. Adoption of resolutions concerning acknowledgment of the fulfilment of duties by Members of the Management Board in the financial year 2010.
16. Adoption of resolutions concerning acknowledgment of the fulfilment of duties by Members of the Supervisory Board in the financial year 2010.
17. Adoption of resolutions on appointment of the Supervisory Board of CIECH S.A. for the next joint term of office.
18. Adoption of a resolution on establishment of the required collateral in connection with the conclusion of a loan agreement and other agreements related to the loan agreement.
19. Adoption of a resolution on an increase in the Company's share capital by issue of E series shares with exclusion of the pre-emption right of E series shares of the current shareholders and on an amendment to the Company's Articles of Association.
20. Closing of the meeting.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... *Percentage of these shares in the share capital:.....*

Total number of valid votes:.....
Number of votes cast "in favour": ...
Number of votes cast "against": ...
Number of "abstaining" votes: ...

The resolution shall be adopted by open ballot.

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on approval of the Report on operations of CIECH S.A. in 2010.

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

§1

After examination, the Annual Shareholders' Meeting of CIECH S.A. approves the *Report on operations of CIECH S.A. in 2010.*

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....
Number of votes cast "in favour": ...
Number of votes cast "against": ...
Number of "abstaining" votes: ...

The resolution shall be adopted by open ballot.

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on approval of the Financial Statements of CIECH S.A. for the financial year 2010.

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

§1

Having read the report and the opinion of the statutory auditor, Deloitte Audyt Sp. z o.o., and the assessment of the Financial Statements of CIECH S.A. for the financial year 2010 presented by the Supervisory Board of CIECH S.A.,

the Annual Shareholders' Meeting of CIECH S.A. approves the *Financial Statements of CIECH S.A.* for the financial year 2010, including:

- the statement of financial position prepared as at 31 December 2010 with total assets and total equity and liabilities of PLN 2,424,578 thousand (in words: two billion four hundred twenty four million five hundred and seventy eight thousand zloty);
- the profit and loss account for the period from 1 January 2010 to 31 December 2010 showing a net loss of PLN 5,038 thousand (in words: five million and thirty eight thousand zloty);
- the statement of comprehensive income for the period from 1 January 2010 to 31 December 2010, showing a negative comprehensive income of PLN 26,198 thousand (in words: twenty six million one hundred and ninety eight thousand zloty);
- the statement of changes in equity for the period from 1 January 2010 to 31 December 2010, showing a decrease in the equity by PLN 26,198 thousand (in words: twenty six million one hundred and ninety eight thousand zloty);
- the cash flow statement for the period from 1 January 2010 to 31 December 2010, showing a decrease in cash by PLN 12,805 thousand (in words: twelve million eight hundred and five thousand zloty);
- notes providing information on the adopted accounting policy and other notes.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by open ballot.

Draft
Re. item 11 of the agenda

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on approval of the Report on operations of the CIECH Capital Group in 2010.

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

§1

Having examined the *Report on operations of the CIECH Capital Group in 2010*, the Annual Shareholders' Meeting of CIECH S.A. approves the same.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:

Number of votes cast "in favour": ...

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

The resolution shall be adopted by open ballot.

Re. item 12 of the agenda

**RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011**

*on approval of the Consolidated Financial Statements of the CIECH Capital Group for
the financial year 2010.*

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

§1

Having read the report and the opinion of the statutory auditor, Deloitte Audyt Sp. z o.o., and the assessment of the Consolidated Financial Statements of the CIECH Capital Group for the financial year 2010 presented by the Supervisory Board of CIECH S.A., the Annual Shareholders' Meeting of CIECH S.A. approves the *Consolidated Financial Statements of the CIECH Capital Group for the financial year 2010*, including:

- the consolidated statement of financial position as at 31 December 2010, with total assets and total equity and liabilities of PLN 3,928,937 thousand (in words: three billion nine hundred twenty eight million nine hundred and thirty seven thousand zloty);
- the consolidated profit and loss account for the period from 1 January 2010 to 31 December 2010, showing a net profit of PLN 20,603 thousand (in words: twenty million six hundred and three thousand zloty);
- the consolidated statement of comprehensive income for the period from 1 January 2010 to 31 December 2010, showing a comprehensive income of PLN 7,203 thousand (in words: seven million two hundred and three thousand zloty);
- the consolidated statement of changes in equity for the period from 1 January 2010 to 31 December 2010, showing an increase in the equity by PLN 1,891 thousand (in words: one million eight hundred and ninety one thousand zloty);
- the consolidated cash flow statement for the period from 1 January 2010 to 31 December 2010, showing an increase in cash by PLN 153,578 thousand (in words: one hundred fifty three million five hundred and seventy eight thousand zloty);
- notes providing information on the adopted accounting policy and other notes.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

*Total number of valid votes:
Number of votes cast "in favour": ...
Number of votes cast "against": ...
Number of "abstaining" votes: ...*

The resolution shall be adopted by open ballot.

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on compensation for loss of CIECH S.A. for the financial year 2010

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

§1

Having examined the proposal of the Management Board of CIECH S.A. concerning compensation for loss of CIECH S.A. for 2010 and the opinion of the Supervisory Board of CIECH S.A. approving the said proposal, the Annual Shareholders' Meeting of CIECH S.A. has decided to compensate for the loss of CIECH S.A. for 2010 accounting for PLN 5,038,356.45 (in words: five million thirty eight thousand three hundred and fifty six zloty 45/100) with the Company's supplementary capital.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by open ballot.

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on approval of the Supervisory Board's report on its activities in the financial year 2010

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

§1

The Annual Shareholders' Meeting of CIECH S.A. approves the Report of the Supervisory Board of CIECH S.A. on its activities in the financial year 2010, including, among others, a report on the results of the assessment of the Management Board's reports on operations of CIECH S.A. and the CIECH Capital Group, financial statements of CIECH S.A. and the CIECH Capital Group for the financial year 2010, and the Management Board's motion for compensation for loss of CIECH S.A. for 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid Percentage of these shares in the share capital:.....

votes:

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by open ballot.

REPORT ON THE ACTIVITIES OF THE SUPERVISORY BOARD OF CIECH S.A. in the financial year 2010

The Supervisory Board of CIECH S.A. submits the report on its activities in the financial year 2010, including, among others, a report on the results of the assessment of the Report on operations of CIECH S.A. in 2010, Financial Statements of CIECH S.A. for the financial year 2010, Report on operations of the CIECH Capital Group in 2010, and the Consolidated Financial Statements of the CIECH Capital Group for the financial year 2010 referred to in Art. 382 § 3 of the Code 3 of the Commercial Companies Code.

This report includes:

- Information on the composition of the Supervisory Board of CIECH S.A. in 2010.
- Discussion of the activities of CIECH S.A.'s Supervisory Board from 1 January 2010 to 31 December 2010, 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 2010
- Information on the activities of the Remuneration Committee of CIECH S.A.'s Supervisory Board in 2010.
- Assessment of the Report on operations of the Company in the financial year 2010 and the Financial Statements of the Company for the financial year 2010 for their compliance with the books and documents, as well as the actual situation, and the motion of the Management Board of CIECH S.A. for compensation for loss of CIECH S.A. for the period from 1 January 2010 to 31 December 2010.
- Assessment of the Report on operations of the CIECH Capital Group in the financial year 2010 and the Consolidated Financial Statements of the CIECH Capital Group for the financial year 2010 for their compliance with the books and documents, as well as the actual situation.
- Recommendations for the Annual Shareholders' Meeting of CIECH S.A.

INFORMATION ON THE COMPOSITION OF THE SUPERVISORY BOARD OF CIECH S.A. IN 2010

As of 1 January 2010, the Supervisory Board of CIECH S.A. was composed of:

1. Ewa Sibrecht-Ośka – Chairwoman of the Supervisory Board,
2. Jacek Goszczyński – Vice-Chairman of the Supervisory Board,
3. Krzysztof Salwach – Secretary of the Supervisory Board,
4. Grzegorz Kłoczko – Member of the Supervisory Board,
5. Marzena Okła-Anuszewska – Member of the Supervisory Board,
6. Sławomir Stelmasiak – Member of the Supervisory Board.

On 21 June 2010, the Annual Shareholders' Meeting of CIECH S.A. dismissed Grzegorz Kłoczko and Marzena Okła-Anuszewska from the Supervisory Board, and appointed Przemysław Cieszyński, Arkadiusz Grabalski and Waldemar Maj.

As a result, the composition of the Supervisory Board as of 21 June 2010 was as follows:

1. Ewa Sibrecht-Ośka,
2. Jacek Goszczyński,
3. Krzysztof Salwach,

4. Sławomir Stelmasiak,
5. Przemysław Cieszyński,
6. Arkadiusz Grabalski,
7. Waldemar Maj.

On 2 July 2010, the Supervisory Board of CIECH S.A. appointed Przemysław Cieszyński as the Vice-Chairman of CIECH S.A.'s Supervisory Board.

The aforementioned composition of the Board did not change by 31 December 2010. Consequently, the composition of CIECH S.A.'s Supervisory Board remained unchanged as of the date of this report.

In 2010, the following committees operated as part of CIECH S.A.'s Supervisory Board: Audit Committee of the Supervisory Board of CIECH S.A. and Remuneration Committee of the Supervisory Board of CIECH S.A.

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

DISCUSSION OF THE ACTIVITIES OF CIECH S.A.'S SUPERVISORY BOARD FROM 1 JANUARY 2010 TO 31 DECEMBER 2010

In 2010, the Supervisory Board of CIECH S.A. held fourteen meetings. All Supervisory Board meetings took place at the Company's registered office in Warsaw, ul. Puławska 182.

In 2010, the Supervisory Board of CIECH S.A. adopted 64 resolutions, of which 2 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 S.A., and § 4 section 4 of the Regulations of CIECH S.A.'s Supervisory Board.

Acting pursuant to § 21 section 1 of the Articles of Association 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 in the financial year 2010.

REFINANCING OF THE CIECH GROUP'S FINANCIAL DEBT

In 2010, the Supervisory Board focused its attention on the restructuring process of the CIECH Capital Group's debt, which was prepared and led by CIECH S.A.'s Management Board. The related topics were discussed during a number of sessions of the Supervisory Board.

The Supervisory Board many times discussed the refinancing of the Capital Group's debt and passed the following resolutions:

- on 5 January 2010
 - 1) Resolution No. 87/VI/2010 concerning the restructuring of the company's financing.
- on 11 January 2010
 - 1) Resolution No. 88/VI/2010 concerning the action plan for various behaviour scenarios of banks and the privatisation process, and recommendations for an optimal solution,
 - 2) Resolution No. 89/VI/2010 concerning the extension of the repayment term for loan and borrowing agreements as well as sureties and bank guarantees in connection with CIECH S.A.'s financing,
 - 3) Resolution No. 90/VI/2010 concerning the conclusion of treasury transactions aimed at changing the settlement date of liabilities under options concluded with ING Bank Śląski S.A. and Bank Handlowy w Warszawie S.A.,
 - 4) Resolution no. 91/VI/2010 concerning the approval of the signing of a factoring agreement by CIECH S.A.,
 - 5) Resolution No. 92/VI/2010 concerning the extension of the repayment term for the borrowings granted to S.C. Uzinele Sodice Govora – Ciech Chemical Group S.A.
- on 9 February 2010
 - 1) Resolution No. 93/VI/2010 concerning the replacement of the bank guarantee issued at CIECH S.A.'s commission by BRE Bank S.A. to Commerzbank A.G. with a surety granted by CIECH S.A., and the issue of a new Sponsor's Letters of Undertaking to Soda Deutschland Ciech GmbH and Sodawerk Stassfurt GmbH & Co.KG,

- 2) Resolution No. 94/VI/2010 concerning the change of the bank guarantee issued at CIECH S.A.'s commission by BRE Bank S.A. to Commerzbank A.G. into a surety granted by CIECH S.A.

■ on 31 March 2010

- 1) Resolution No. 99/VI/2010 concerning the approval of the conclusion of agreements for financial and registered pledges (on JZS Janikosoda S.A.'s shares).

As a result, on 14 April 2010, CIECH S.A.'s Supervisory Board, in consideration of the following:

- 1) the need to ensure current financing for the Company,
- 2) the Management Board's failure to propose alternative methods and terms of the Company's financial restructuring,
- 3) the letter of intent concerning short-term financing, signed by the banks, the Ministry of State Treasury and the Company, dated 18 January 2010, and in particular the letter's item 5b,

and after examining Resolution No. 89/2010 of the Company's Management Board of 14 April 2010 concerning the conclusion of loan agreements, agreements related to the loan agreements and establishing the required collateral, passed Resolution No. 100/VI/2010 on approving the following actions by the Company:

- 1) the Company's conclusion of a loan agreement by and between the Company, as the borrower and guarantor, Bank Polska Kasa Opieki S.A., Bank Handlowy w Warszawie S.A. and BRE Bank S.A., as the Original Lenders and Arrangers, Citigroup Global Markets Limited, as the Arranger, Powszechna Kasa Oszczędności Bank Polski S.A. (Bank), as the Original Lender, Arranger and Securities Agent (Loan Agreement),
- 2) the Company's granting of a borrowing or borrowings to companies from the Ciech Capital Group,
- 3) the Company's conclusion of a creditors' agreement, to be concluded by and between the Company, Bank Polska Kasa Opieki S.A., Bank Handlowy w Warszawie S.A., BRE Bank S.A., Citigroup Global Markets Limited and Powszechna Kasa Oszczędności Bank Polski S.A. (Creditors' Agreement),
- 4) the Company's conclusion of loan agreements (as a borrower) with the following banks (as lenders): (i) BNP Paribas S.A., Branch in Poland, (ii) Calyon S.A., Branch in Poland, and (iii) Fortis Bank Polska S.A. (Bilateral Agreements) up to the total amount of PLN 45,000,000,
- 5) the Company's signing of the following documents to secure the liabilities under (i) the Loan Agreement, (ii) the Bilateral Agreements, (iii) the Creditors' Agreement and (iv) 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.:
 - a) the Company's representation(s) on establishing a mortgage or mortgages on the real propertied owned by the Company or on the Company's perpetual usufruct titles to land and the buildings erected on such land,
 - b) the Company's representation(s) on a voluntary submission to enforcement proceedings with regard to the Company's liabilities,
 - c) a pledge agreement for establishing a registered pledge or registered pledges on shares/interests in other companies,
 - d) a pledge agreement for establishing a financial pledge or financial pledges on shares/interests in other companies,
 - e) an authorisation for the Bank to exercise the right to vote in connection with interests held in other companies or an authorisation to establish pledges on any interests or shares which the Company may acquire in the future,
 - f) an agreement for the assignment of the Company's claims for security purposes,
 - g) an agreement for the transfer of the ownership title to all of the Company's movable property for security purposes,
 - h) a pledge agreement for establishing a financial pledge or financial pledges on cash deposited on the Company's bank account(s),
 - i) an authorisation for the Bank to use the Company's bank accounts, and
 - j) a subordination agreement concluded by and between the Company and the Bank,
- 6) the signing of other documents required by or in connection with the Loan Agreement, the Bilateral Agreements, the Creditors' Agreement (Agreements) or agreements and understandings specified in the Agreements or in the documents, representations and agreements referred to before or stipulated by the Agreements, or the related agreements, understandings, documents or representations referred to before (in particular, the granting of powers of attorney, the submission of representations of entry, the conclusion of agreements on the expiry of collateral and other representations).

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 collateral 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) the Company's undertaking to obtain funds in the amount of PLN 400 million (less any voluntary and mandatory early loan repayments) and to transfer these funds to the Company's blocked bank account maintained with Bank Handlowy w Warszawie S.A. by 31 December 2010, and the Company Management Board's indication, as material, of the issue of CIECH S.A.'s new shares as a potential source of the funds,
- 4) 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.

At the same time, the Supervisory Board expressed a positive opinion (with the above-mentioned reservations) for the Shareholders' Meeting concerning the conclusion by the Company of a pledge agreement for establishing a registered pledge or registered pledges on the Company's movable property or 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 Bilateral Agreements, (iii) the Creditors' Agreement and (iv) the guarantee facility provided 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. as a security for the fulfilment of the liabilities of S.C. Uzinele Sodice Govora – Ciech Chemical Group S.A. Finally, the Loan Agreement was concluded on 26 April 2010. Consolidating the debt paved the way for negotiating the terms of mid-term financing.

In 2010, the Management Board started negotiating a new loan agreement for refinancing the Ciech Group's financial debt under the Loan Agreement concluded on 26 April 2010.

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, once the Supervisory Board has examined the terms of the new Loan Agreement, the Supervisory Board – pursuant to § 22 section 2 of CIECH S.A.'s Articles of Association and § 4 section 4 of the Supervisory Board's Regulations – passed Resolution No. 154/VI/2011 on approving and expressing an opinion in connection with the Ciech Group's refinancing, according to which:

- The Supervisory Board approved the following actions by the Company:
 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 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. 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 appendix 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 a creditors' agreement, to be concluded, among others, by and between 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 collateral 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.:
 - k) a mortgage or mortgages on real properties owned by the Company or perpetual usufruct titles to land held by the Company, and buildings erected on such land,
 - l) a registered pledge or registered pledges on shares/interests in other companies,
 - m) a financial pledge or financial pledges on shares/interests in other companies,
 - n) assignment of the Company's rights and claims for security purposes,
 - o) a financial pledge or financial pledges on the Company's bank accounts,
- 5. the signing of other documents required by or in connection with the Loan Agreement, the Creditors' Agreement between Creditors (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 collateral 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 Shareholders' 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 S.A., 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 loan agreement was concluded for refinancing the Ciech Group's existing financial debt under the Loan Agreement concluded on 26 April 2010.

RESTRUCTURING OF THE CIECH GROUP

In order to improve the Group's financial standing, increase its potential to repay the debt and to grow its business, the Management Board developed a Restructuring Plan, including focusing on the soda and organic segments, divesting from companies not involved in the Group's key areas of interest and selling redundant real properties for operating activity.

On 4 August 2010, the Supervisory Board, in Resolution No. 140/VI/2010, expressed a positive opinion on the Group Restructuring Plan adopted by CIECH S.A.'s Management Board, which provides for restructuring in 2010-2015 to improve the Group's financial standing. The reform of the Group's business will consist in the sales of shares and interests in the entities which operate in the Group's non-strategic areas, the sales of real property and property rights as well as other assets, and the adoption of a more rational approach to investment schedules.

The Supervisory Board regularly monitored the schedule of measures taken by the Management Board for the Company's performance of agreements with banks, and the schedule also included the divestments specified in the Ciech Group's Restructuring Plan as well as obtaining funds from the market (issue of series D shares).

SALE OF PERPETUAL USUFRUCT TITLES TO REAL PROPERTY

On 17 September 2010, CIECH S.A.'s Supervisory Board, in connection with the performance of § 2 section 2 of Resolution No. 3 of CIECH S.A.'s Extraordinary Shareholders' Meeting dated 18 March 2009, adopted Resolution No. 143/VI/2010 on expressing an opinion on the terms of CIECH S.A.'s sale of perpetual usufruct titles to the real properties located in Warsaw, ul. Powązkowska 46/50. CIECH S.A.'s Supervisory Board expressed a positive opinion on the terms of the sale transaction between CIECH S.A. and MARVIPOL S.A., with its registered office in Warsaw:

- perpetual usufruct title to a land property with an area of 4,168 m², including plots of land, as per the land register, no. 38, 42, 43 and 44 in precinct 7-02-09, for which the District Court for Warsaw Mokotów in Warsaw, 6th Land and Mortgage Register Department, maintains land and mortgage register (KW) no. WA1 M/00223524/2,
- perpetual usufruct title to a land property with an area of 6,531 m², including plots of land, as per the land register, no. 41 in precinct 7-02-09, and a separate ownership title to a building erected on the said property, for which the District Court for Warsaw Mokotów in Warsaw, 6th Land and Mortgage Register Department, maintains land and mortgage register (KW) no. WA1 M/00174094/9,
- perpetual usufruct title to a land property with an area of 1,177 m², including plots of land, as per the land register, no. 19/8 (formerly a part of plot no. 19/6) and 45/4 (formerly a part of plot no. 45/1) in precinct 7-02-09, for which the District Court for Warsaw Mokotów in Warsaw, 6th Land and Mortgage Register Department, maintains land and mortgage register (KW) no. WA1 M/00287974/7,

located in Warsaw, ul. Powązkowska 46/50, with a total area of 11,876 m², for a net price of PLN 23,794,000.00 (in words: twenty-three million seven hundred ninety-four thousand zloty 00/100), which lower than the price resulting from the appraisal study and the terms of the preliminary sales agreement.

As a result, on 9 December 2010, an agreement for the sale of the perpetual usufruct titles to the land property referred to before was concluded with MARVIPOL S.A., with its registered office in Warsaw.

CONTINGENT AGREEMENT FOR THE SALE OF THE INTERESTS OF GZNF FOSFORY SP. Z O.O., WITH ITS REGISTERED OFFICE IN GDAŃSK

On 15 December 2010, pursuant to § 22 section 2 of CIECH S.A.'s Articles of Association and § 4 section 4 of the Supervisory Board's Regulations, CIECH S.A.'s Supervisory Board passed Resolution No. 149/VI/2010 on approving the conclusion of the Contingent Agreement for the Sale of the Interests of Gdańskie Zakłady Nawozów Fosforowych Fosfory Sp. z o.o., with its registered office in Gdańsk, and approved the conclusion of the Contingent Agreement for the Sale of the Interests with Zakłady Azotowe Puławy, with its registered office in Puławy, accounting for 89.46% of GZNF Fosfory Sp. z o.o.'s share capital. As a result, on 16 December 2010, the said Agreement was concluded.

FINANCIAL PLAN FOR 2010

On 4 August 2010, by way of Resolution No. 141/VI/2010, the Supervisory Board expressed a positive opinion on the Financial Plan for 2010, which was adopted by CIECH S.A.'s Management Board.

SHARE CAPITAL INCREASE THROUGH THE ISSUE OF SERIES D SHARES WITH A PRE-EMPTIVE RIGHT FOR THE EXISTING SHAREHOLDERS

On 28 September 2010, CIECH S.A.'s Supervisory Board examined and expressed its opinion on the proposal by CIECH S.A.'s Management Board to increase the company's share capital through the issue of series D shares with a pre-emptive right for the existing shareholders.

The Management Board presented to the Annual Shareholders' Meeting a number of scenarios for increasing the share capital, i.e.:

- increase of the Company's share capital through the issue of series D ordinary bearer shares with a pre-emptive right for the existing shareholders, with the subscription date being 2 February 2011,
- and
- contingent increase of the Company's share capital through the issue of series E convertible bonds, fully excluding the pre-emptive right for the Company's existing shareholders with regard to the shares issued as part of the contingent capital and the series E convertible bonds,

or
contingent increase of the Company's share capital through the issue of series D convertible bonds, fully excluding the pre-emptive right for the Company's existing shareholders with regard to the shares issued as part of the contingent capital and the series D convertible bonds,

or
increase of the Company's share capital through the issue of series D ordinary bearer shares with a pre-emptive right for the existing shareholders, with the subscription date being 2 February 2011. However, the issue of shares with the pre-emptive right was recommended to the Shareholders as the best variant for the Company and the Shareholders.

Finally, on 28 October 2010, the Extraordinary Shareholders' Meeting adopted a resolution on increasing the Company's share capital and amending its Articles of Association. As a result of the issue, the share capital was increased by PLN 115,000,000 (in words: one hundred fifteen million zloty 00/100) to PLN 255,001,420 (in words: two hundred fifty-five million one thousand four hundred twenty zloty 00/100) through the issue of 23,000,000 (twenty-three million) ordinary bearer shares.

The series D shares were issued in the form of a closed subscription, as stipulated by Article 431 § 2 item of the Commercial Companies Code, by way of a public offering within the meaning of the Act of 29 July 2005 on the public offering and the terms for introducing financial instruments into an organised trading system. The subscription date for the series D shares was set to be 2 February 2011. The Company's shareholders who held the Company's shares at the end of the day had the pre-emptive right to the Series D Shares, and for each of the Company's shares at the end of the subscription date, the shareholder was entitled to a single pre-emptive right to the Series D Shares.

According to the Resolution of the Extraordinary Shareholders' Meeting's Resolution, on 25 January 2011, the Supervisory Board passed a resolution on approving the issue price of the series D shares, and on specifying the subscription opening and closing dates for the series D shares. By way of Resolution No. 152/VI/2011, the Supervisory Board agreed that the Company's Management Board may determine the issue price of the series D shares at PLN 19.20 (in words: nineteen zloty 20/100), and specify 3 February 2011 to be the subscription opening date for the series D shares in connection with exercising the pre-emptive right to the issue of the series D shares

and additional subscriptions, and 16 February 2011 to be the subscription closing date. The Supervisory Board also agreed that the Management Board may specify 28 February 2011 to be the subscription opening date for the series D shares which are not acquired as a result of exercising the pre-emptive right or additional subscriptions, and 2 March 2011 to be the subscription closing date. Finally, on 14 March 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 Articles of Association, adopted by way of the Resolution of the Company's Extraordinary Shareholders' Meeting of 28 October 28th 2010, on increasing the Company's share capital and amending its Articles of Association, and registered the increase of the Company's share capital from PLN 140,001,420 to PLN 255,001,420 through the issue of 23,000,000 series D ordinary bearer shares with a nominal value of PLN 5 (in words: five zloty 00/100) each.

AMENDMENT TO THE REGULATIONS OF CIECH S.A.'S SHAREHOLDERS' MEETING, THE REGULATIONS OF CIECH S.A.'S MANAGEMENT BOARD AND CIECH S.A.'S ARTICLES OF ASSOCIATION

On 9 February 2010, in Resolution No. 95/VI/2010, the Supervisory Board expressed a positive opinion on the draft Regulations of CIECH S.A. Shareholders' Meeting, which were adopted by CIECH S.A.'s Management Board in Resolution No. 22/2010 of 2 February 2010. On 21 June 2010, the Shareholders' Meeting adopted its Regulations. The new Regulations of the Shareholders' Meeting took effect as of the next Shareholders' Meeting of CIECH S.A., which was held on 28 October 2010.

On 10 March 2010, the Supervisory Board approved the new Regulations of the Management Board, which were adopted in Resolution No. 55/2010 of CIECH S.A.'s Management Board of 9 March 2010. The Management Board's Regulations took effect as of the day when they were approved by the Supervisory Board.

In connection with the share capital increase described before, the Articles of Association of CIECH S.A. were amended. On 14 March 2011, the 13th Economic Division of the National Court Register registered the amendment to the Company's Articles of Association, which were adopted in the Resolution of the Extraordinary Shareholders' Meeting of 28 October 2010 on increasing the Company's share capital and amending its Articles of Association, and registered the increase of the Company's share capital from PLN 140,001,420 to PLN 255,001,420 through the issue of 23,000,000 series D ordinary bearer shares with a nominal value of PLN 5 (five zloty 00/100) each. The Shareholders' Meeting authorised the Supervisory Board to adopt a uniform text of CIECH's Articles of Association. On 24 March 2011, pursuant to § 22 section 2 of CIECH S.A.'s Articles of Association and § 4 section 4 of the Regulations of CIECH S.A.'s Supervisory Board, the Supervisory Board passed Resolution No. 160/VI/2011 on adopting a uniform text of CIECH S.A.'s Articles of Association.

PREPARATIONS FOR THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A. ON 21 JUNE 2010

During the meeting held on 24 May 2010, the Supervisory Board examined the following:

- 1) Financial statements of CIECH S.A.'s for the financial year 2009 (Resolution No. 108/VI/2010),
- 2) Report on operations of the Company in the financial year 2009 (Resolution No. 109/VI/2010),
- 3) Consolidated financial statements of the CIECH Capital Group for the financial year 2009 (Resolution No. 110/VI/2010),
- 4) Report on operations of the CIECH Capital Group in the financial year 2009 (Resolution No. 111/VI/2010),
- 5) CIECH S.A. Management Board's proposal on covering CIECH S.A.'s loss for 2009 (Resolution No. 112/VI/2010),
- 6) CIECH S.A. Management Board's proposal on covering previous years' loss from the adjustment of an error in previous periods (Resolution No. 113/VI/2010).

Following their examination, the Supervisory Board recommended to CIECH S.A.'s Annual Shareholders' Meeting to approve the above statements and reports, and to cover CIECH S.A.'s loss for 2009 and previous years' loss from the adjustment of an error in previous periods as proposed by the Company's Management Board (Resolutions No. 112/VI/2010 and 113/VI/2010), i.e. from the Company's supplementary capital.

Furthermore, the Supervisory Board of CIECH S.A. recommended to the Annual Shareholders' Meeting of CIECH S.A.:

- 1) to acknowledge the fulfilment of duties by the following Management Board members in the financial year 2009:
 - a) Ryszard Kunicki, acknowledgement of the fulfilment of duties as the President of the Management Board in the period from 1 January 2009 to 31 December 2009 (Resolution No. 114/VI/2010),
 - b) Robert Bednarski, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 1 January 2009 to 31 December 2009 (Resolution No. 115/VI/2010),
 - c) Marcin Dobrzański, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 1 January 2009 to 31 December 2009 (Resolution No. 116/VI/2010),

- d) Artur Osuchowski, acknowledgement of the fulfilment of duties as a Member of the Management Board in the period from 1 January 2009 to 31 December 2009 (Resolution No. 117/VI/2010).

APPOINTMENT OF A STATUTORY AUDITOR FOR 2010

On 11 June 2010, the Supervisory Board, exercising its statutory powers (§ 21 (2) (7) of the Articles of Association of CIECH S.A. and § 3 (2) (7) of the Regulations of the Supervisory Board), appointed, based on the recommendation of the Audit Committee, a statutory auditor who carried out an audit of the financial statements of CIECH S.A. for the financial year 2010 and the financial statements of CIECH Capital Group for the financial year 2010 (Resolution No. 123/VI/2010).

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

In adopting the amendments to the Good Practice of WSE Listed Companies, on 14 January 2011, the Supervisory Board of CIECH S.A., upon recommendation of the Audit Committee contained in the Standpoint dated 24 December 2010, approved the Rule concerning change of the entity authorised to audit the financial statements of CIECH S.A. and consolidated financial statements of the CIECH Group, pursuant to which the entity authorised to audit the financial statements of CIECH S.A. may not audit the Company for more than 5 years in a row. The entity authorised to audit financial statements may audit the Company again after the expiry of at least 2 years. The key statutory auditor may not carry out a financial audit of the Company for more than 5 years in a row. The key statutory auditor may carry out a financial audit of the Company again after the expiry of at least 2 years.

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 its analyses based on the Financial Plan of CIECH S.A. for 2010, which received a positive opinion from the Supervisory Board on 4 August 2010 (Resolution No. 141/VI/2010 on the Financial Plan for 2010).

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, any issues arousing interest among the Board members were clarified.

ACTIVITIES OF THE AUDIT COMMITTEE OF CIECH S.A.'S SUPERVISORY BOARD IN 2010

This information includes:

- Information on the composition of the Audit Committee of CIECH S.A.'s Supervisory Board in 2010
- Discussion of the activities of the Audit Committee of CIECH S.A.'s Supervisory Board in 2010, 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 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 2010, the Audit Committee was composed of:

1. Marzena Okła-Anuszewska,

2. Krzysztof Salwach.

On 9 February 2010, CIECH S.A.'s Supervisory Board appointed Sławomir Stelmasiak to be a member of the Audit Committee.

On 21 June 2010, Marzena Okła-Anuszewska was dismissed from the Supervisory Board of CIECH S.A..

As a result, as of 21 June 2010, the Audit Committee was composed of:

1. Krzysztof Salwach,
2. Sławomir Stelmasiak.

On 2 July 2010, the Supervisory Board appointed a new Audit Committee of the Supervisory Board of CIECH S.A.:

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

During the Audit Committee's session on 4 August 2010, the Audit Committee appointed Waldemar Maj as the Chairman.

As of 31 December 2010 and as of the date of the report, the Audit Committee of CIECH S.A.'s Supervisory Board was composed of:

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

ACTIVITIES OF THE AUDIT COMMITTEE IN 2010

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

In 2010, the major issues 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 CIECH S.A.'s Financial Statements for 2009, CIECH S.A.'s Management Report for 2009 and the proposals by the Company's Management Board to cover CIECH S.A.'s loss for 2009 and previous years' loss from the adjustment of an error in previous periods from the Company's supplementary capital.

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

Furthermore, the Audit Committee examined the CIECH Capital Group's Consolidated Financial Statements for 2009 and Report on operations of the CIECH Capital Group in 2009, and recommended to the Supervisory Board of CIECH S.A. to express a positive opinion for the Annual Shareholders' 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 24 May 2010.

Covering the loss of CIECH S.A. for 2009

CIECH S.A.'s Management Board proposed to CIECH S.A. Shareholders' Meeting to cover CIECH S.A.'s loss for 2009 in the amount of PLN 125,767,296.36 and previous years' loss from the adjustment of an error in previous periods in the amount of PLN 70,933,925 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 24 May 2010. *Appointment of a statutory auditor*

In connection with the responsibility of CIECH S.A.'s Supervisory Board to appoint a statutory auditor to audit CIECH S.A.'s separate financial statements and the CIECH Capital Group's consolidated financial statements for 2009, the Audit Committee analysed the Company's collaboration with the statutory auditor, Deloitte Audyt Sp. z o.o., and examined the arguments in favour of continuing that collaboration put forward by CIECH S.A.'s Management Board.

The Audit Committee recommended to CIECH S.A.'s Supervisory Board to reappoint Deloitte Audyt Sp. z o.o. as the statutory auditor to audit CIECH S.A.'s financial statements for 2010 and the CIECH Capital Group's financial statements for 2010.

On 11 June 2010, CIECH S.A.'s Supervisory Board, by way of Resolution No. 123/VI/2010, appointed Deloitte Audyt Sp. z o.o. as the statutory auditor to audit CIECH S.A.'s financial statements for 2010 and the CIECH Capital Group's financial statements for 2010.

Cooperation with the statutory auditor

In the course of 2010, the Audit Committee held a number of meetings with the statutory auditor of CIECH S.A. (representatives of Deloitte Audyt Sp. z o.o.), during which the audit of the separate and consolidated financial statements of CIECH S.A. was discussed.

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 2009.

Other issues:

In addition, the Audit Committee worked on the following in 2010:

- preparing draft Regulations of the Audit Committee,
- reviewing the schedule and performance of tasks related to the Restructuring Programme,
- reviewing the internal control and risk management systems of the CIECH Group,
- reviewing main risks occurring in the CIECH Group,
- reviewing the internal control and audit plan,
- preparing 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.

INFORMATION ON THE ACTIVITIES OF THE REMUNERATION COMMITTEE OF CIECH S.A.'S SUPERVISORY BOARD IN 2010

This report includes:

- Information on the composition and tasks of the Remuneration Committee in 2010.
- Discussion of the activities of the Remuneration Committee in 2010.

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 2010, the Remuneration Committee was composed of:

1. Jacek Goszczyński,
2. Grzegorz Kłoczko.

Following the dismissal of Grzegorz Kłoczko from the Supervisory Board on 21 June 2010, the Remuneration Committee operated as a one-person body.

On 2 July 2010, the Supervisory Board appointed the following Remuneration Committee of the Supervisory Board of CIECH S.A.:

1. Jacek Goszczyński,
2. Arkadiusz Grabalski.

As of 31 December 2010 and on the date of the financial statements, the Remuneration Committee of CIECH S.A.'s Supervisory Board operated in an unchanged composition.

ACTIVITIES OF THE REMUNERATION COMMITTEE

In 2010, the Remuneration Committee held seven meetings and discussed the following topics:

- 1) determining and preparing a recommendation for the Supervisory Board on the amount of the bonus for the Management Board for H2 2009,
- 2) content of employment contracts concluded with the members of CIECH S.A.'s Management Board, including the President of the Management Board,
- 3) content of non-compete agreements concluded with the members of CIECH S.A.'s Management Board, including the President of the Management Board,
- 4) determining and preparing a recommendation for the Supervisory Board on the amount of the bonus for the Management Board for H1 2010,
- 5) preparing assumptions for the Regulations for awarding task-based bonuses to the Management Board of CIECH S.A.

The Supervisory Board adopted appropriate Resolutions in that regard.

ASSESSMENT OF THE REPORT ON OPERATIONS OF THE COMPANY IN THE FINANCIAL YEAR 2010 AND THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR 2010 FOR THEIR COMPLIANCE WITH THE BOOKS AND DOCUMENTS, AS WELL AS THE ACTUAL SITUATION, AND THE MOTION OF THE MANAGEMENT BOARD OF CIECH S.A. FOR COMPENSATION FOR LOSS OF CIECH S.A. FOR THE PERIOD FROM 1 JANUARY 2010 TO 31 DECEMBER 2010.

Pursuant to Article 382 § 3 of the Commercial Companies Code and § 21 section 2 item 1) of the Articles of Association 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 the Report on operations of the Company for the financial year 2010 and CIECH S.A.'s Financial Statements for the financial year 2010 for their compliance with the books, documents and the factual status, and assessed the proposal of CIECH S.A.'s Management Board on covering CIECH S.A.'s loss for the period from 1 January 2010 to 31 December 2010.

ASSESSMENT OF THE COMPANY'S FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2010

Pursuant to Resolution No. 123/VI/2010 of 11 June 2010, the Financial Statements of CIECH S.A. for the financial year 2010 were audited by Deloitte 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) provide a true and fair account of all information which is material for assessing the economic and financial situation of the Company as of 31 December 2010 as well as its financial result for the financial year from 1 January 2010 to 31 December 2010,
- 2) have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as Regulations of the European Commission, and to

the extent not regulated by these standards – according to the requirements under the Accounting Act, secondary legislation to the Accounting Act and correctly maintained accounting books,

- 3) comply with the legal regulations and provisions of the Company's Articles of Association governing the contents of the financial statements.

While there were no reservations concerning the true and fair nature of the audited financial statement, the statutory auditor paid particular attention to the following:

- 1) Item 20.1 of the Notes to the financial statements, in which the Company's Management Board describes its previous and planned restructuring measures to further improve the economic ratios, such as profitability and debt level of CIECH S.A. and of the Ciech Capital Group.

On 16 May 2011, the Audit Committee of CIECH S.A.'s Supervisory Board recommended to the Supervisory Board to present to the Annual Shareholders' Meeting of CIECH S.A. a positive opinion on approving CIECH S.A.'s Financial Statements for the financial year 2010.

The Supervisory Board of CIECH S.A. concluded that CIECH S.A.'s financial statements for the financial year 2010 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 REPORT ON OPERATIONS OF THE COMPANY IN 2010

The Supervisory Board read the Report on operations of the Company in 2010 and the opinion of the statutory auditor.

The statutory auditor concluded that the Report on operations of the Company in 2010 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 16 May 2011, the Audit Committee of CIECH S.A.'s Supervisory Board recommended to the Supervisory Board to present to the Annual Shareholders' Meeting of CIECH S.A. a positive opinion on approving the Report on operations of the Company in 2010.

The Supervisory Board of CIECH S.A. concluded that Report on operations CIECH S.A. in 2010 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 BY CIECH S.A.'S MANAGEMENT BOARD ON COVERING CIECH S.A.'S LOSS FOR THE FINANCIAL YEAR 2010 FROM THE SUPPLEMENTARY CAPITAL

On 16 May 2011, the Audit Committee of CIECH S.A.'s Supervisory Board expressed a positive opinion on the Management Board's proposal to cover CIECH S.A.'s loss for the period from 1 January 2010 to 31 December 2010 in the amount of PLN 5,038,356.45 thousand (in words: five million thirty-eight thousand three hundred fifty-six zloty 45/100) from the Company's supplementary capital.

The Management Board of CIECH S.A. proposes that the loss be covered from the supplementary capital, as intended (Article 396 § 5 of the Commercial Companies Code).

CIECH S.A.'s Supervisory Board expressed a positive opinion on the Management Board's proposal to cover CIECH S.A.'s loss for the period from 1 January 2010 to 31 December 2010 in the amount of PLN 5,038,356.45 thousand (in words: five million thirty-eight thousand three hundred fifty-six zlotys 45/100) from the Company's supplementary capital.

The net result in 2010 was adversely affected by the debt service costs, FX losses and the sale of interests in Zakłady Azotowe Tarnów.

ASSESSMENT OF THE REPORT ON OPERATIONS OF THE CIECH CAPITAL GROUP IN 2010 AND CONSOLIDATED FINANCIAL STATEMENTS OF THE CIECH CAPITAL GROUP FOR THE FINANCIAL YEAR 2010

Pursuant to Article 382 § 3, in connection with Article 395 § 5 of the Commercial Companies Code, and § 21 section 2 item 1) of CIECH S.A.'s Articles of Association, as well as § 3 section 2 item 1) of the Supervisory Board's Regulations, the Supervisory Board of CIECH S.A. assessed the Report on operations of the CIECH Capital Group for the financial year 2010 and Consolidated Financial Statements of the CIECH Capital Group for the financial year 2010 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 2010

Pursuant to Resolution No. 123/VI/2010 of 11 June 2010, the Consolidated financial statements of the CIECH Capital Group for the financial year 2010 were audited by Deloitte Audit 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 2010 in all material aspects:

- 1) give a true and fair view of all information required for assessing the Capital Group's economic and financial situation as of 31 December 2010, and of its financial result for the financial year 2010,
- 2) have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of Regulations of the European Commission, and to the extent not regulated by these Standards, in accordance with the requirements of the Accounting Act and its secondary legislation,
- 3) comply with the laws governing the contents of the consolidated financial statements, as applicable to the Capital Group.

In the opinion to the Consolidated financial statements of the CIECH Capital Group for the financial year 2010, the statutory auditor did not report any reservations regarding the true and fair nature of the audited consolidated financial statements, but paid particular attention to the following:

- 1) Item 26 of the Notes to the financial statements, in which the Company's Management Board describes its previous and planned restructuring measures to further improve the economic ratios, such as profitability and debt level of CIECH S.A. and of the Ciech Capital Group.

On 16 May 2011, 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 Consolidated financial statements of the CIECH Capital Group for the financial year 2010.

The Supervisory Board concluded that the CIECH Capital Group's financial statements for the financial year 2010 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 REPORT ON OPERATIONS OF THE CIECH CAPITAL GROUP IN THE FINANCIAL YEAR 2010

The Supervisory Board read the Report on operations of the CIECH Capital Group in the financial year 2010 and the statutory auditor's opinion.

The Report on operations of the Capital Group in the financial year 2010 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 the information contained in the report is derived from and consistent with the audited consolidated financial statements.

On 16 May 2011, the Audit Committee of CIECH S.A.'s Supervisory Board recommended to the Supervisory Board to present to the Annual Shareholders' Meeting of CIECH S.A. a positive opinion on approving the Report on operations of the CIECH Capital Group in the financial year 2010.

The Supervisory Board concluded that the Report on operations of the CIECH Capital Group in the financial year 2010 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 ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.

The assessment by the Supervisory Board of the Financial Statements of CIECH S.A. for the financial year 2010 and the Report on operations of the Company for the financial year 2010 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 2010 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 S.A., after examining the submitted Consolidated Financial Statements of the CIECH Capital Group for the financial year 2010 and the Report on operations of the CIECH Capital Group for the financial year 2010, concluded that the report and the statements are coherent and consistent with the books and

documents available to CIECH S.A.'s supervisory Board, and that they present all material aspects of the Ciech Capital Group's business in accordance with the factual status.

CIECH S.A.'s Supervisory Board also analysed the Management Board's proposal to cover CIECH S.A.'s loss for the period from 1 January 2010 to 31 December 2010 in the amount of PLN 5,038,356.45 thousand (in words: five million thirty-eight thousand three hundred fifty-six zlotys 45/100) from the Company's supplementary capital.

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

- 1) *the Financial statements of CIECH S.A. for the financial year 2010,*
- 2) *the Report on operations of the Company in the financial year 2010,*
- 3) *the Consolidated Financial Statements of the CIECH Capital Group for the financial year 2010,*
- 4) *the Report on operations of the CIECH Capital Group in the financial year 2010,*

and

proposes to CIECH S.A.'s Annual Shareholders' Meeting to pass a resolution on covering CIECH S.A.'s loss for 2010 in the amount of PLN 5,038,356.45 thousand (in words: five million thirty-eight thousand three hundred fifty-six zlotys 45/100) from the Company's supplementary capital.

Furthermore, CIECH S.A.'s Supervisory Board recommends to the Annual Shareholders' Meeting of CIECH S.A. to acknowledge the fulfilment of duties by the following members of CIECH S.A.'s Management Board in FY 2010:

- 1) *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,*
- 2) *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,*
- 3) *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,*
- 4) *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,*
- 5) *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,*
- 6) *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.*

Draft
Re. item 15 of the agenda

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Mr Ryszard Kunicki of the fulfilment of duties as the President of the Management Board of CIECH S.A. in the period from 1 January 2010 to 31 December 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Mr Ryszard Kunicki of the fulfilment of duties of the President of the Management Board of CIECH S.A. in the period from 1 January 2010 to 31 December 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

Draft
Re. item 15 of the agenda

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Mr Andrzej Bąbaś of the fulfilment of duties as a Member of the Management Board of CIECH S.A. in the period from 21 June 2010 to 31 December 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Mr Andrzej Bąbaś of the fulfilment of duties of a Member of the Management Board of CIECH S.A. in the period from 21 June 2010 to 31 December 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

Draft
Re. item 15 of the agenda

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Mr Artur Osuchowski of the fulfilment of duties as a Member of the Management Board of CIECH S.A. in the period from 1 January 2010 to 31 December 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Mr Artur Osuchowski of the fulfilment of duties of a Member of the Management Board of CIECH S.A. in the period from 1 January 2010 to 31 December 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

*Total number of valid votes:.....
Number of votes cast "in favour": ...
Number of votes cast "against": ...
Number of "abstaining" votes: ...*

The resolution shall be adopted by secret ballot.

**Draft
Re. item 15 of the agenda**

**RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011**

on granting acknowledgement to Mr Rafał Rybkowski of the fulfilment of duties as a Member of the Management Board of CIECH S.A. in the period from 21 June 2010 to 31 December 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Mr Rafał Rybkowski of the fulfilment of duties of a Member of the Management Board of CIECH S.A. in the period from 21 June 2010 to 31 December 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

*Total number of valid votes:.....
Number of votes cast "in favour": ...
Number of votes cast "against": ...
Number of "abstaining" votes: ...*

The resolution shall be adopted by secret ballot.

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Mr Robert Bednarski of the fulfilment of duties as a Member of the Management Board of CIECH S.A. in the period from 1 January 2010 to 21 June 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgement to Mr Robert Bednarski of the fulfilment of duties of a Member of the Management Board of CIECH S.A. in the period from 1 January 2010 to 21 June 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Mr Marcin Dobrzański of the fulfilment of duties as a Member of the Management Board of CIECH S.A. in the period from 1 January 2010 to 27 September 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Mr Marcin Dobrzański of the fulfilment of duties of a Member of the Management Board of CIECH S.A. in the period from 1 January 2010 to 27 September 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Ms Ewa Sibrecht-Ońska of the fulfilment of duties as the Chairperson of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 31 December 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Ms Ewa Sibrecht-Ońska of the fulfilment of duties of the Chairperson of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 31 December 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

Draft
Re. item 16 of the agenda

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Mr Przemysław Cieszyński of the fulfilment of duties of a Member of the Supervisory Board of CIECH S.A. in the period from 21 June 2010 to 31 December 2010, including duties of the Vice-Chairman of the Supervisory Board of CIECH S.A. in the period from 2 July 2010 to 31 December 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Mr Przemysław Cieszyński of the fulfilment of duties of a Member of the Supervisory Board of CIECH S.A. in the period from 21 June 2010 to 31 December 2010, including duties of the Vice-Chairman of the Supervisory Board of CIECH S.A. in the period from 2 July 2010 to 31 December 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

Draft
Re. item 16 of the agenda

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Mr Jacek Goszczyński of the fulfilment of duties of a Member of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 31 December 2010, including duties of the Vice-Chairman of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 2 July 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Mr Jacek Goszczyński of the fulfilment of duties of a Member of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 31 December 2010, including duties of the Vice-Chairman of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 2 July 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

Draft
Re. item 16 of the agenda

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Mr Arkadiusz Grabalski of the fulfilment of duties as a Member of the Supervisory Board of CIECH S.A. in the period from 21 June 2010 to 31 December 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Mr Arkadiusz Grabalski of the fulfilment of duties as a Member of the Supervisory Board of CIECH S.A. in the period from 21 June 2010 to 31 December 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Mr Waldemar Maj of the fulfilment of duties as a Member of the Supervisory Board of CIECH S.A. in the period from 21 June 2010 to 31 December 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Mr Waldemar Maj of the fulfilment of duties as a Member of the Supervisory Board of CIECH S.A. in the period from 21 June 2010 to 31 December 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Mr Krzysztof Salwach of the fulfilment of duties as the Secretary of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 31 December 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Mr Krzysztof Salwach of the fulfilment of duties as the Secretary of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 31 December 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ...

Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

Draft
Re. item 16 of the agenda

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Mr Sławomir Stelmasiak of the fulfilment of duties as a Member of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 31 December 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Mr Sławomir Stelmasiak of the fulfilment of duties as a Member of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 31 December 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ...

Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

Draft
Re. item 16 of the agenda

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Mr Grzegorz Kłoczko of the fulfilment of duties as a Member of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 21 June 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Mr Grzegorz Kłoczko of the fulfilment of duties as a Member of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 21 June 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

Draft
Re. item 16 of the agenda

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on granting acknowledgement to Ms Marzena Okła-Anuszevska of the fulfilment of duties as a Member of the Supervisory Board of CIECH S.A. in the period from 1 January 2010 to 21 June 2010

Acting pursuant to Article 393 item 1 and Article 395 § 2 item 3 of the Commercial Companies Code and § 18 item of the Articles of Association of CIECH SA, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. grants acknowledgment to Ms Marzena Okła-Anuszevska of the fulfilment of duties as a Member of the Supervisory Board of CIECH S.A. in the period from 01 January 2010 to 21 June 2010.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

**RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011**

on appointment of the Supervisory Board of CIECH S.A. for the next joint term of office

Acting pursuant to Article 385 § 1 of the Commercial Companies Code and § 18 item 7 and § 20 section 1 of the Articles of Association of the Company, it is resolved as follows:

§1

The Annual Shareholders' Meeting of CIECH S.A. appoints Mr/Ms.....
(PESEL) as a member of the Supervisory Board CIECH S.A. for a next joint term of office.

§2

The resolution shall come into force on the date of its adoption.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital:.....

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by secret ballot.

**RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011**

on establishment of the required collateral in connection with the conclusion of a loan agreement and other agreements related to the loan agreement

§1

In connection with:

- (1) the conclusion, on 10 February 2011, of the loan agreement between, among others, the Company as the borrower and guarantor and Bank Polska Kasa Opieki S.A., Bank Handlowy w Warszawie S.A., BRE Bank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Bank DnB NORD Polska S.A., Bank Millennium S.A., ING Bank Śląski S.A. and the European Bank for Reconstruction and Development (the "Loan Agreement");
- (2) the planned conclusion of a new agreement between the creditors between, among others, the Company, Bank Polska Kasa Opieki S.A., Bank Handlowy w Warszawie S.A., BRE Bank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Bank DnB NORD Polska S.A., Bank Millennium S.A., ING Bank Śląski S.A. and the European Bank for Reconstruction and Development (the "Creditors' Agreement");

the Annual Shareholders' Meeting, pursuant to Article 393 item 3 of the Commercial Companies Code and § 18 item 6 of the Articles of Association of the Company, having examined the opinion of the Supervisory Board of the Company dated 8 February 2011, hereby consents to :

the establishment by the Company of the following collateral for the liabilities under (i) the Loan Agreement, (ii) the Creditors' Agreement, and (iii) guarantee line No 2007/1 dated 19 January 2007 (as amended) provided to the Company by Bank Polska Kasa Opieki S.A., under which, on 23 January 2007, a guarantee to S.C. CET GOVORA S.A. was given as a security for performance of the obligations of S.C. Uzinele Sodice Govora-Ciech Chemical Group S.A.:

- a) a mortgage or mortgages on real properties owned by the Company or perpetual usufruct titles to land held by the Company, and buildings erected on such land;
- b) establishment of a registered pledge or registered pledges on shares/interests in other companies;
- c) establishment of a financial pledge or financial pledges on shares/interests in other companies;
- d) transfer of the Company's receivables as security;
- e) establishment of a financial or registered pledge or financial or registered pledges on cash deposited on the Company's bank accounts;
- f) establishment of a registered pledge or registered pledges on a collection of movable assets or rights of the Company and all methods of satisfying the pledgee's claims mentioned in the pledge contract or in the act on registered pledge and register of pledges, including acquisition of the ownership or transfer of the subject matter of pledge or lease of the Company's enterprise, in accordance with a relevant pledge contract or act on registered pledge and the register of pledges; and

to the signing of other documents required pursuant to or in connection with the Loan Agreement, Creditors' Agreement (the "Agreements") or contracts and agreements mentioned in the Agreements or in documents, declarations and agreements referred to above or mentioned in or concerning the Agreements or the aforementioned contracts, understandings, documents and declarations (including, without limitation, the giving of powers of attorney, making declarations on submission to enforcement procedure, making declarations on joining, making declarations on resignation, execution of agreements amending the Agreements or the aforementioned contracts and understandings, execution of agreements on expiry of collateral and submission of other declarations).

§2

The Annual Shareholders' Meeting of the Company hereby confirms that:

- (1) signing the documents referred to in § 1 hereinabove, and
- (2) establishment of the aforementioned collateral;
- (3) performance of the obligations arising from the aforementioned documents is in the best interest of the Company.

§3

The resolution shall become effective at the time it is adopted.

The number of shares which casted valid votes: ... Percentage of these shares in the share capital: ...

Total number of valid votes:.....

Number of votes cast "in favour": ...

Number of votes cast "against": ...

Number of "abstaining" votes: ...

The resolution shall be adopted by open ballot.

Draft
Re. item 19 of the agenda

RESOLUTION
OF THE ANNUAL SHAREHOLDERS' MEETING OF CIECH S.A.
with its registered office in Warsaw
of 30 June 2011

on an increase in the Company's share capital by issue of E series shares with exclusion of the pre-emption right of

E series shares of the current shareholders and on an amendment to the Company's Articles of Association, application for admission and introduction of E series shares into trading in the regulated market and their dematerialisation

The Annual Shareholders' Meeting of CIECH S.A. with its registered office in Warsaw (the "**Company**"), pursuant to Article 431 § 1 and 2 item 1, 432 § 1 and 433 § 2 of the act of 15 September 2000 Commercial Companies Code (J.L. of 2000, No. 94, item 1037, as amended). ("CCC"), resolves as follows:

§1

1. The Company's share capital shall be increased by PLN 9,425,450 (in words: nine million four hundred twenty five thousand four hundred and fifty zloty), i.e. up to PLN 264,426,870 (in words: two hundred sixty four million four hundred twenty six thousand eight hundred and seventy zloty), by issue of 1.885.090 (in words: one million eight hundred eighty five thousand and ninety) E series ordinary bearer shares with a nominal value of PLN 5.00 (in words: five zloty) each ("**E Series Shares**").
2. The issue price of E Series Shares is PLN 23.50 (in words: twenty three zloty and fifty grosz) for one E Series Share.
3. E Series Shares shall participate in the dividend starting from 1 January 2011 like other shares of the Company.
4. E Series Shares shall be acquired by private subscription. All E Series Shares shall be offered to the State Treasury of the Republic of Poland (the "**State Treasury**"). The contract for acquisition of E Series Shares shall be entered into within one month from the adoption hereof.
5. The State Treasury shall acquire all E Series Shares and pay for them with a contribution in kind including:
 - 1) 571,826 (in words: five hundred seventy one thousand eight hundred and twenty six) A series ordinary bearer shares with a nominal value of PLN 2.30 (in words: two zloty and thirty grosz) each, with the total nominal value of PLN 1,315,199.80 (in words: one million three hundred fifteen thousand one hundred and ninety nine zloty eighty grosz) in Zakłady Chemiczne Alwernia S.A. having its registered office in Alwernia (hereinafter, "**Alwernia Shares**"); and
 - 2) 762,224 (in words: seven hundred sixty two thousand two hundred and twenty four) A series ordinary registered shares with a nominal value of PLN 10.00 (in words: ten zloty) each, with the total nominal value of PLN 7,622,240.00 (in words: seven million six hundred twenty two thousand two hundred and forty zloty) in Zakłady Chemiczne "ZACHEM" S.A. having its registered office in Bydgoszcz (hereinafter, "**Zachem Shares**"); and
 - 3) 429,388 (in words: four hundred twenty nine thousand three hundred and eighty eight) A series ordinary registered shares with a nominal value of PLN 10.00 (in words: ten zloty) each, with the total nominal value of PLN 4,293,880.00 (in words: four million two hundred ninety three thousand eight hundred and eighty zloty) in Zakłady Chemiczne "Organika- Sarzyna" S.A. having its registered office in Nowa Sarzyna (hereinafter, "**Organika-Sarzyna Shares**"; Alwernia Shares, Zachem Shares and Organika-Sarzyna Shares shall be hereinafter jointly referred to as the "**Shares of the State Treasury**").
6. In accordance with the evaluation of the Shares of the State Treasury confirmed by an opinion of the statutory auditor regarding the fair value of the Shares of the State Treasury issued on 26 May 2011, the value of the contribution in kind comprising the Shares of the State Treasury accounts for a total of PLN 44,299,635.84 (in words: forty four million two hundred ninety nine thousand six hundred and thirty five zloty eighty four grosz), including:
 - 1) the total value of Alwernia Shares has been established at PLN 18,332,741.56 (in words: eighteen million three hundred thirty two thousand seven hundred and forty one zloty fifty six grosz), i.e. PLN 32.06 (in words: thirty two zloty and six grosz) for one Alwernia Share;
 - 2) the total value of Zachem Shares has been established at PLN 6,494,148.48 (in words: six million four hundred ninety four thousand one hundred and forty eight zloty forty eight grosz), i.e. PLN 8.52 (in words: eight zloty and fifty two grosz) for one Zachem Share;
 - 3) the total value of Organika-Sarzyna Shares has been established at PLN 19,472,745.80 (in words: nineteen million four hundred seventy two thousand seven hundred and forty five zloty eighty grosz), i.e. PLN 45.35 (in words: forty five zloty and thirty five grosz) for one Organika-Sarzyna Share.

§2

1. The Annual Shareholders' Meeting of the Company, considering the same in the interest of the Company, hereby decides to deprive the current shareholders of the Company of the right to acquire E Series Shares.
2. The Management Board of the Company presented to the Annual Shareholders' Meeting of the Company a written opinion justifying the reasons of deprivation of the shareholders of the right to acquire E Series Shares and the method of determination of the issue price of E Series Shares. The aforementioned opinion of the Management Board of the Company forms an Appendix to this Resolution.

§3

1. In connection with the increase in the Company's share capital, § 7 section 1 of the Articles of Association of the Company shall read:

"1. The Company's share capital accounts for PLN 264,426,870.00 (in words: two hundred sixty four million four hundred twenty six thousand eight hundred and seventy zloty) and is divided into 52,885,090 (in words: fifty two million eight hundred eighty five thousand and ninety) shares with the nominal value of PLN 5 (five zloty) 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,
- 1,885,090 (in words: one million eight hundred eighty five thousand and ninety) E series ordinary bearer shares."

2. The Annual Shareholders' Meeting authorises the Supervisory Board to determine the consolidated text of the Articles of Association of the Company, including the amendments made by this Resolution.

§4

1. It is hereby decided that the Company will apply for admission and introduction into trading in the regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. ("Warsaw Stock Exchange", "WSE") of all E Series Shares.
2. In connection with the introduction of E Series Shares into trading in the regulated market operated by WSE, the E Series Shares shall be dematerialised.

§5

The Annual Shareholders' Meeting of the Company authorises the Management Board to carry out any and all actual and legal activities in connection with:

- 1) private subscription of E Series Shares, in particular to offer to the State Treasury to acquire E Series Shares and to determine the terms and enter into a contract for acquisition of E Series Shares;
- 2) application by the Company for admission and introduction of E Series Shares into trading in the regulated market operated by WSE;
- 3) dematerialisation of E Series Shares (registration of E Series Shares in the depository for securities kept by Krajowy Depozyt Papierów Wartościowych S.A. having its registered office in Warsaw [National Depository for Securities]).

§6

This resolution shall come into force on the date of its adoption.

OPINION OF THE MANAGEMENT BOARD OF CIECH CONCERNING THE EXCLUSION OF PRE-EMPTIVE RIGHTS OF CURRENT SHAREHOLDERS OF CIECH IN CONNECTION WITH THE ISSUE OF E SERIES SHARES

All of 1,885,090 (in words: one million eight hundred eighty five thousand and ninety) E series ordinary bearer shares with a nominal value of PLN 5.00 (in words: five zloty) each (the "**New Issue Shares**") will be offered to the State Treasury of the Republic of Poland (the "**State Treasury**"). The New Issue Shares will be acquired in consideration of a contribution in kind with a total value of PLN 44,299,635.84 (in words: forty four million two hundred ninety nine thousand six hundred and thirty five zloty eighty four grosz), including the "**Shares of the State Treasury**", including:

- 1) 571.826 (in words: five hundred seventy one thousand eight hundred and twenty six) ordinary bearer shares with a nominal value of PLN 2.30 (in words: two zloty and thirty grosz) each, with the total nominal value of PLN 1,315,199.80 (in words: one million three hundred fifteen thousand one hundred and ninety nine zloty eighty grosz) in Alwernia S.A. having its registered office in Alwernia (hereinafter, "**Alwernia**" and "**Alwernia Shares**", respectively) with a total value of PLN 18,332,741.56 (in words: eighteen million three hundred thirty two thousand seven hundred and forty one zloty fifty six grosz), i.e. PLN 32.06 (in words: thirty two zloty and six grosz) for one Alwernia Share; and
- 2) 762,224 (in words: seven hundred sixty two thousand two hundred and twenty four) shares with a nominal value of PLN 10.00 (in words: ten zloty) each, with the total nominal value of PLN 7,622,240.00 (in words: seven million six hundred twenty two thousand two hundred and forty zloty) in Zakłady Chemiczne "ZACHEM" S.A. having its registered office in Bydgoszcz (hereinafter, "**Zachem**" and "**Zachem Shares**", respectively), with a total value of PLN 6,494,148.48 (in words: six million four hundred ninety four thousand one hundred and forty eight zloty forty eight grosz), i.e. PLN 8.52 (in words: eight zloty and fifty two grosz) for one Zachem Share; and
- 3) 429,388 (in words: four hundred twenty nine thousand three hundred and eighty eight) shares with a nominal value of PLN 10.00 (in words: ten zloty) each, with the total nominal value of PLN 4,293,880.00 (in words: four million two hundred ninety three thousand eight hundred and eighty zloty) in Zakłady Chemiczne "Organika-Sarzyna" S.A. having its registered office in Nowa Sarzyna (hereinafter, "**Organika-Sarzyna**" and "**Organika-Sarzyna Shares**", respectively), with a total value of PLN 19,472,745.80 (in words: nineteen million four hundred seventy two thousand seven hundred and forty five zloty eighty grosz), i.e. PLN 45.35 (in words: forty five zloty and thirty five grosz) for one Organika-Sarzyna Share.

The issue price accounts for PLN 23.50 (twenty three zloty and fifty grosz) for one New Issue Share. The total issue price of the shares issued by CIECH in connection with the increase in the share capital will account for 44,299,615 (in words: forty-four million two hundred ninety-nine thousand six hundred fifteen zloty). The total issue price of the New Issue Shares will not exceed the total value of the contribution in kind comprising the Shares of the State Treasury to be made 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 constitutes agio, which will be allocated to the Company's supplementary capital in accordance with Art. 396 § 2 CCC.

The Issue Price of the New Issue Shares has been determined as the average of quotations of CIECH shares in the basic market of Giełda Papierów Wartościowych w Warszawie S.A. ("WSE") weighed by the turnover volume in the period of six months from 1 November 2010 to 30 April 2011.

The number of New Issue Shares has been established on the basis of the following formula:

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

where:

L_{ANE} means the number of the New Issue Shares (but if L_{ANE} constitutes another number than an integral number, L_{ANE} will be rounded down to an integral number);

WA means the value of the Shares of the State Treasury;

CE_{ANE} means the Issue price of the New Issue Shares.

The acquisition of the New Issue Shares for a contribution in kind comprising the Shares of the State Treasury will

result from the implementation of Agreement III, entered into on May 26th, 2011 between CIECH and the State Treasury (the "Parties") and forms an alternative to the acquisition by CIECH from the State Treasury of Zachem Shares and Organika-Sarzyna Shares pursuant to contracts for sale of such shares which could be entered into by way of acceptance of the offers for acquisition of shares. CIECH submitted irrevocable offers for acquisition of such shares to the State Treasury on 20 December 2006 ("**Share Acquisition Offers**"). The State Treasury is entitled to accept the Share Acquisition Offers by the expiry of their validity, i.e. by 20 December 2016.

The validity of Share Acquisition Offers for CIECH causes a negative uncertainty for the Company and its shareholders regarding the possibility and date of acceptance of the Share Acquisition Offers by the State Treasury, as well as financial consequences of the necessity to pay by CIECH of the sale price of Zachem Shares and Organika-Sarzyna Shares as a result of acceptance of the Share Acquisition Offers by the State Treasury. As a result of conclusion and implementation of Agreement III, i.e. increasing the share capital by issue of New Issue Shares and paying for them with a contribution in kind comprising the Shares of the State Treasury, the Company will not experience such uncertainty and at the same time, CIECH will not have to pay the price of Zachem Shares and Organika-Sarzyna Shares.

Furthermore, in connection with the intention of the State Treasury to sell Alwernia Shares and the divestment of Alwernia conducted by CIECH, within the framework of which CIECH allows for a temporary increase in the involvement in Alwernia, the Parties agreed to include Alwernia Shares into Agreement III. Due to the contribution by the State Treasury of Alwernia Shares to CIECH, CIECH will acquire nearly one hundred percent of shares in the share capital (and votes at the general meeting) of Alwernia, which will enable it to freely decide on the operations of the company and determine the structure of its capitals.

In view of the aforementioned justification, it is notable that offering all New Issue Shares to the State Treasury and the related deprivation of the shareholders of CIECH of the right to acquire the New Issue Shares is in the interest of the Company and is not contrary to the interests of the current shareholders of the Company. Therefore, the Management Board of the Company recommends to the Annual Shareholders' Meeting to adopt a Resolution as aforesaid and to exclude the pre-emption rights with respect to the New Issue Shares.