Question 1
Why is the State Treasury, together with the shareholders it controls, not subject to the aggregation and reduction mechanism referred to in § 47 sec. 3 of the Company’s Articles of Association?

Response
Pursuant to § 47 sec. 3 of the Company’s Articles of Association, second sentence, the limitation on voting rights referred to in the paragraph does not apply to the State Treasury. Hence, the State Treasury, together with the shareholders it controls, is not subject to the aggregation and reduction mechanism.

Question 2
Has the Management Board analysed the question of invalidity of § 47, sec. 3 of the Company’s Articles of Association as raised by shareholders during the previous Extraordinary General Meeting in July 2012?

Response
The Articles of Association constitute the main source of corporate regulations for the Company, governing the foundations on which it operates as well as corporate governance rules. The document is binding for all of the Company’s authorities. The Management Board acts pursuant to provisions of the Articles of Association which specify its corporate authority and obligations. The Management Board is not required to independently review legal compliance of the Articles of Association. Such control is entrusted primarily to the court register during registration proceedings. An appropriate court register has registered the changes to the Company’s Articles of Association introducing the aggregation and reduction mechanism, and the register’s ruling in this matter has not been overturned. This means that the provision of the Articles of Association are binding for the Management Board until declared invalid through a binding court ruling.

Question 3
Why has the Management Board decided that the State Treasury is entitled to voting rights at today’s Extraordinary General Meeting? Given the fact that the State Treasury has exceeded the 33% threshold in the number of Company voting rights, pursuant to art. 89 sec. 2 of the Act on Public Offerings it is not entitled to voting rights carried by all of the Company’s shares in its possession until its share of voting rights falls below 33% or it announces a tender offer for 66% of Azoty Tarnów’s voting rights.

Response
In the Management Board’s opinion this question does not concern the issues addressed during the Extraordinary General Meeting of 8 March 2013. Furthermore, it is the Management Board’s opinion that art. 89 sec. 2 of the Act of 29 July 2005 on Public Offerings and the Conditions of Introducing Financial Instruments to an Organised Trading System and on Public Companies (Polish Journal of Laws of 2005 no. 184, item 1539 as amended) (the “Act on Public Offerings”) does not state that a shareholder does not have the right to vote until its share in the total number of voting rights falls below 33% or it announces a tender offer to subscribe for the sale or exchange of shares in a number allowing to reach 66% of the total number of voting rights. Based on the register of shareholders entitled to participate in the Extraordinary General Meeting as at the registration date for this general meeting, provided to the Company by the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A. – KDPW), it cannot be concluded that the State Treasury is not entitled to exercise voting rights carried by shares in its possession. The Management Board does not have any documents which would confirm the shareholder’s viewpoint that the State Treasury may not exercise its voting rights.

Question 4
Has the Management Board properly analysed the issue raised during the previous General Meeting regarding infringement of notification requirements specified in the Act on Public Offerings by the State Treasury and its related parties?
Response
In the Management Board’s opinion this question does not concern the issues addressed during the Extraordinary General Meeting of 8 March 2013. The question does not concern the Company but rather its shareholders and relations between them. The Management Board fulfils requirements imposed on the Company through art. 70 of the Act on Public Offerings by providing information received from the Company’s shareholders pursuant to art. 69 of the Act on Public Offerings to the public, the Polish Financial Supervision Authority and the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.).

Question 5
Why had the Management Board not applied due diligence in preparing the list of entities entitled to participate in the Extraordinary General Meeting?

Response
In the Management Board’s view, the shareholder’s opinion that the Management Board had not applied due diligence in preparing the list of entities entitled to participate in the Extraordinary General Meeting of 8 March 2013 is incorrect. Based on the register of shareholders entitled to participate in the Extraordinary General Meeting as at the registration date for this general meeting, provided to the Company by the KDPW, it cannot be concluded that the State Treasury is not entitled to exercise voting rights carried by the shares in its possession. The Management Board does not have any documents which would confirm the shareholder’s viewpoint that the State Treasury may not exercise its voting rights.

Question 6
Why has the Management Board called an Extraordinary General Meeting for the beginning of March even though an Ordinary General Meeting will take place before the end of June?

Response
In the Management Board’s opinion this question does not concern the issues addressed during the Extraordinary General Meeting of 8 March 2013.

Question 7
What is the Company’s interest in calling an Extraordinary General Meeting right before the Ordinary General Meeting?

Response
In the Management Board’s opinion this question does not concern the issues addressed during the Extraordinary General Meeting of 8 March 2013.

Question 8
Are the Management Board’s actions part of a strategy aimed at co-operating with a particular shareholder – the State Treasury – in further limiting minority shareholder rights through toughening up the aggregation and reduction mechanism and introducing sanctions leading to shareholder expropriation (loss of the right to vote) before the State Treasury lowers its stake in the Company to 33%?

Response
On 13 June 2012 the Management Board adopted and announced a strategy for the Company and the entire group for 2012-2020 (current report 33/2012 of 13 June 2012). The strategy was also presented in the Company’s prospectus approved by the Polish Financial Supervision Authority on 21 December 2012. The Management Board firmly continues to delivery this strategy.