

**RESOLUTION NO. 167/IX/2015  
OF THE SUPERVISORY BOARD OF GRUPA AZOTY S.A.  
dated April 16th 2015**

concerning: the Supervisory Board's 2014 report for the Annual General Meeting, prepared in accordance with Art. 33.1.21 of the Company's Articles of Association  
Acting pursuant to Art. 33.1.21 in conjunction with Art. 51.26 of the Company's Articles of Association, the Supervisory Board resolves as follows:

Section 1

The Supervisory Board approves the 'Report for the Annual General Meeting on the activities of the Supervisory Board and its committees and on the assessment of the Management Board's work in the period January 1st–December 31st 2014', set out in the appendix hereto.

Section 2

The Supervisory Board requests that the Annual General Meeting consider the submitted Report.

Section 3

This Resolution shall become effective as of its date.

This Resolution has been passed by open ballot, in the presence of nine Supervisory Board Members.

Votes in favour: 9

Abstentions: 0

Votes against: 0.

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Monika Kacprzyk-Wojdyga  
/Chair of the  
Supervisory Board/

.....  
Jacek Obłękowski  
/Deputy Chair of the  
Supervisory Board/

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Ewa Lis  
/Secretary of the  
Supervisory Board/

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Robert Kapka

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Tomasz Klikowicz

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Artur Kucharski

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Marek Mroczkowski

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Zbigniew Paprocki

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Ryszard Trepczyński

**REPORT FOR THE ANNUAL GENERAL MEETING  
ON THE ACTIVITIES OF THE SUPERVISORY BOARD  
IN THE PERIOD FROM JANUARY 1ST- DECEMBER 31ST 2014  
INCLUDING THE ACTIVITIES OF THE SUPERVISORY BOARD COMMITTEES  
AND ASSESSMENT OF THE WORK OF THE MANAGEMENT BOARD**

**1.  
*Term of office and year of the term***

2014 was the second year of the Supervisory Board's 9th term of office (started on April 17th 2013).

**2.  
*Composition of the Supervisory Board, positions held in the Supervisory Board, and changes in the Supervisory Board composition in the financial year***

In 2014, the Supervisory Board consisted of:

- |                            |   |
|----------------------------|---|
| 1. Monika Kacprzyk-Wojdyga | - Chair of the Supervisory Board        |
| 2. Jacek Obłękowski        | - Deputy-Chair of the Supervisory Board |
| 3. Ewa Lis                 | - Secretary of the Supervisory Board    |
| 4. Robert Kapka            | - Member of the Supervisory Board       |
| 5. Tomasz Klikowicz        | - Member of the Supervisory Board       |
| 6. Artur Kucharski         | - Member of the Supervisory Board       |
| 7. Marek Mroczkowski       | - Member of the Supervisory Board       |
| 8. Zbigniew Paprocki       | - Member of the Supervisory Board       |
| 9. Ryszard Trepczyński     | - Member of the Supervisory Board       |

During the financial year, there were no changes in the composition of the Supervisory Board or in the functions performed by its individual members.

**3.  
*Number and frequency of meetings held by the Supervisory Board; number of adopted resolutions***

In the financial year 2014, the Supervisory Board held nine traditional meetings and four voting procedures using means of remote communication, and adopted 68 resolutions.

Resolutions adopted by the Supervisory Board in 2014:

<b>Resolution No.</b>	<b>Adoption date</b>	<b>Subject matter</b>
58/IX/2014	2014-01-16	Justification of absence of Mr Artur Kucharski, Member of the Supervisory Board
59/IX/2014	2014-02-13	Approval of the Rules of the Annual Bonus Scheme for Members of the Management Board of Grupa Azoty Spółka Akcyjna
60/IX/2014	2014-02-13	Grant of consent to the payment of a special bonus to Mr Paweł Jarczewski, President of the Management Board of Grupa Azoty Zakłady

Resolution No.	Adoption date	Subject matter
		Azotowe Puławy S.A., for the period July 1st 2012–April 30th 2013
61/IX/2014	2014-02-13	Grant of consent to the payment of a special bonus to Mr Marian Rybak, Vice-President of the Management Board of Grupa Azoty Zakłady Azotowe Puławy S.A., for the period July 1st 2012–June 30th 2013
62/IX/2014	2014-02-13	Grant of consent to the payment of a special bonus to Mr Marek Kapłucha, Member of the Management Board of Grupa Azoty Zakłady Azotowe Puławy S.A., for the period July 1st 2012–June 30th 2013
63/IX/2014	2014-02-13	Grant of consent to execution by the Company of Annex 2 to an agreement providing for a PLN 70m special-purpose loan advanced by GAZAK S.A. to fund projects implemented under the Grupa Azoty Group's growth strategy
64/IX/2014	2014-02-13	Approval of Grupa Azoty S.A.'s budget for 2014
65/IX/2014	2014-03-28	Justification of absence of Mr Jacek Obłąkowski, Member of the Supervisory Board
66/IX/2014	2014-03-28	Grant of consent to the acquisition of non-current assets under the project 'Granulation Plant II'
67/IX/2014	2014-03-28	Grant of consent to the acquisition of non-current assets under the project 'Polyamide 6 Plant with an annual production capacity of 80,000 tonnes'
68/IX/2014	2014-03-28	Grant of consent to the acquisition of non-current assets under the project 'Extension of the mass storage system'
69/IX/2014	2014-03-28	Approval of the Goal Sheets for members of the Company's Management Board
70/IX/2014	2014-03-28	Amendments to the Rules of the Annual Bonus Scheme for Members of the Management Board of Grupa Azoty Spółka Akcyjna
71/IX/2014	2014-05-09	Assessment of the separate financial statements of Grupa Azoty S.A. for the financial year 2013
72/IX/2014	2014-05-09	Assessment of the Directors' Report on the Company's operations in 2013
73/IX/2014	2014-05-09	Providing an opinion on the Management Board's proposal on the allocation of net profit for 2013
74/IX/2014	2014-05-09	Supervisory Board's report on the assessment of the financial statements of Grupa Azoty S.A. for the period January 1st–December 31st 2013 and the Directors' Report on the Company's operations in 2013
75/IX/2014	2014-05-09	Assessment of the consolidated financial statements of the Grupa Azoty Group and the Directors' Report on the Group's operations in 2013
76/IX/2014	2014-05-09	Supervisory Board's report on the assessment of the consolidated financial statements of the Grupa Azoty Group for the period January 1st–December 31st 2013 and the Directors' Report on the Group's operations in 2013
77/IX/2014	2014-05-09	Grant of discharge to Mr Jerzy Marciniak, President of the Management Board of Grupa Azoty S.A., in respect of performance of his duties in the period January 1st–April 29th 2013
78/IX/2014	2014-05-09	Grant of discharge to Mr Paweł Jarczewski, President of the Management Board of Grupa Azoty S.A., in respect of performance of his duties in the period May 6th–December 31st 2013

Resolution No.	Adoption date	Subject matter
79/IX/2014	2014-05-09	Grant of discharge to Mr Krzysztof Jałosiński, Vice-President of the Management Board of Grupa Azoty S.A., in respect of performance of his duties in the period January 1st–December 31st 2013
80/IX/2014	2014-05-09	Grant of discharge to Mr Andrzej Skolmowski, Vice-President of the Management Board of Grupa Azoty S.A., in respect of performance of his duties in the period January 1st–December 31st 2013
81/IX/2014	2014-05-09	Grant of discharge to Mr Witold Szczypiński, Vice-President of the Management Board of Grupa Azoty S.A., in respect of performance of his duties in the period January 1st–December 31st 2013
82/IX/2014	2014-05-09	Grant of discharge to Mr Marek Kaptucha, Vice-President of the Management Board of Grupa Azoty S.A., in respect of performance of his duties in the period July 4th–December 31st 2013
83/IX/2014	2014-05-09	Grant of discharge to Mr Marian Rybak, Vice-President of the Management Board of Grupa Azoty S.A., in respect of performance of his duties in the period July 4th–December 31st 2013
84/IX/2014	2014-05-09	Grant of discharge to Mr Artur Kopeć, Member of the Management Board of Grupa Azoty S.A., in respect of performance of his duties in the period January 1st–December 31st 2013
85/IX/2014	2014-05-09	Supervisory Board's 2013 report for the Annual General Meeting prepared in accordance with Art. 33.1.20 of the Company's Articles of Association
86/IX/2014	2014-05-09	Approval of the report on the operations of the Supervisory Board's Audit Committee
87/IX/2014	2014-05-09	Supervisory Board's 2013 report for the Annual General Meeting prepared in accordance with Art. 33.1.21 of the Company's Articles of Association
88/IX/2014	2014-05-09	Supervisory Board's 2013 report for the Annual General Meeting prepared in accordance with Art. 33.1.22 of the Company's Articles of Association
89/IX/2014	2014-05-09	Grant of consent to the acquisition of CO2 emission allowances (EUA)
90/IX/2014	2014-05-09	Providing an opinion on a proposal for the General Meeting to approve grant of a licence
91/IX/2014	2014-05-13	Grant of consent for the Company to establish a new company under the name Grupa Azoty Compounding Sp. z o.o.
92/IX/2014	2014-05-13	Grant of consent for the Company to establish a new company under the name Grupa Azoty Folie Sp. z o.o.
93/IX/2014	2014-06-26	Justification of absence of Mr Jacek Obłąkowski, Deputy Chair of the Supervisory Board
94/IX/2014	2014-06-26	Approval of Grupa Azoty Group's Strategy for 2014–2020 – Operationalisation
95/IX/2014	2014-06-26	Providing an opinion on the Grupa Azoty Group's CSR and Sponsorship Plan for 2014
96/IX/2014	2014-06-26	Grant of consent to the acquisition of non-current assets under the project 'Upgrade of the condensation system in central cooling unit No. 1'
97/IX/2014	2014-06-26	Grant of a special bonus to Mr Paweł Jarczewski, President of the

Resolution No.	Adoption date	Subject matter
		Management Board of Grupa Azoty S.A.
98/IX/2014	2014-06-26	Grant of a special bonus to Mr Krzysztof Jałosiński, Vice-President of the Management Board of Grupa Azoty S.A.
99/IX/2014	2014-06-26	Grant of a special bonus to Mr Marek Kapłucha, Vice-President of the Management Board of Grupa Azoty S.A.
100/IX/2014	2014-06-26	Grant of a special bonus to Mr Marian Rybak, Vice-President of the Management Board of Grupa Azoty S.A.
101/IX/2014	2014-06-26	Grant of a special bonus to Mr Andrzej Skolmowski, Vice-President of the Management Board of Grupa Azoty S.A.
102/IX/2014	2014-06-26	Grant of a special bonus to Mr Witold Szczypiński, Vice-President of the Management Board of Grupa Azoty S.A.
103/IX/2014	2014-06-26	Grant of a special bonus to Mr Artur Kopeć, Member of the Management Board of Grupa Azoty S.A.
104/IX/2014	2014-06-26	Grant of consent to the payment of an annual bonus to Mr Marian Rybak, President of the Management Board of Grupa Azoty Zakłady Azotowe Puławy S.A., in respect of the company's performance in the second half of 2013
105/IX/2014	2014-07-29	Grant of consent to incur an obligation in excess of PLN 6m relating to the planned execution of the Grupa Azoty Group Consolidated Insurance Programme agreement for a term of one year
106/IX/2014	2014-07-29	Providing an opinion on amendments to the Grupa Azoty Group's CSR and Sponsorship Plan for 2014
107/IX/2014	2014-08-29	Justification of absence of Mr Ryszard Trepczyński, Member of the Supervisory Board
108/IX/2014	2014-08-29	Grant of consent to the acquisition of non-current assets under the project 'Intensification of the unit for manufacturing cyclohexanone from phenol'
109/IX/2014	2014-08-29	Grant of consent to the acquisition of non-current assets under the project 'New iron-chromium catalyst plant' and to the inclusion of the project in the 2014 Investment Plan
110/IX/2014	2014-10-13	Justification of absence of Mr Jacek Obłąkowski, Deputy Chair of the Supervisory Board
111/IX/2014	2014-10-13	Justification of absence of Mr Artur Kucharski, Member of the Supervisory Board
112/IX/2014	2014-10-13	Grant of consent to the acquisition of non-current assets under the project '20 MW pass-out and condensing turbine generator set at the CHP Plant'
113/IX/2014	2014-11-06	Justification of absence of Mr Artur Kucharski, Member of the Supervisory Board
114/IX/2014	2014-11-06	Continuation of agreement with KPMG Audyt Sp. z o.o. for the audit of the financial statements of Grupa Azoty S.A. and consolidated financial statements of the Grupa Azoty Group
115/IX/2014	2014-11-06	Grant of a length-of-service award to Mr Witold Szczypiński, Vice-President of the Company's Management Board
116/IX/2014	2014-12-04	Grant of consent to the acquisition of non-current assets under the

Resolution No.	Adoption date	Subject matter
		project 'Flue gas desulfurization unit'
117/IX/2014	2014-12-04	Grant of consent to the acquisition of non-current assets under the project 'Flue gas denitration unit'
118/IX/2014	2014-12-04	Grant of consent to the acquisition of non-current assets under the project 'Increase of ammonia production capacities'
119/IX/2014	2014-12-04	Grant of consent to execution by the Company of Annex 3 to an agreement providing for a PLN 70m special-purpose loan advanced by GA ZAK S.A. to fund projects implemented under the Grupa Azoty Group's growth strategy
120/IX/2014	2014-12-12	Adoption of the document 'Development of an operating strategy for the design-build companies within the Grupa Azoty Group' (individual objective of Mr Marian Rybak, Vice-President of the Management Board)
121/IX/2014	2014-12-22	Grant of consent for Grupa Azoty S.A. to join the World Economic Forum Foundation
122/IX/2014	2014-12-22	Adoption of the document 'Integration of rail transport logistics at the Grupa Azoty Group' (individual objective of Mr Marek Kapłucha, Vice-President of the Management Board)
123/IX/2014	2014-12-22	Adoption of the document 'Strategy for the technical maintenance and management of asset life cycles at the Grupa Azoty Group' (individual objective of Mr Witold Szczypiński, Vice-President of the Management Board)
124/IX/2014	2014-12-22	Adoption of the document 'Harmonisation of safety standards and procedures within the Grupa Azoty Group' (individual objective of Mr Artur Kopeć, Member of the Management Board)
125/IX/2014	2014-12-22	Adoption of the document 'Development and implementation of the "Stop Accidents" Programme at the Grupa Azoty Group' (individual objective of Mr Artur Kopeć, Member of the Management Board)

#### 4.

##### ***Attendance of Supervisory Board Members at Supervisory Board meetings***

In 2014, seven absences were reported (Mr Artur Kucharski – three absences; Mr Jacek Obłəkowski – three absences, Mr Ryszard Trepczyński – one absence), producing a total average annual absence ratio of 8.6%. All absences were justified by the Supervisory Board.

#### 5.

##### ***Material issues addressed at Supervisory Board meetings***

The Supervisory Board focused on matters which have a substantial impact on the financial and economic standing of the Company, including in particular:

- spending under the 2014 budget,
- key economic ratios,
- structure and amount of receivables and liabilities,

- structure and levels of inventories of raw materials, intermediate products and finished products,
- assessment of investment activities,
- market situation with respect to raw material prices and sales of products,
- profitability of individual products,
- financial and economic standing of Grupa Azoty Group companies,
- impact of pay increase on the Company's financial position,
- synergies achieved in selected areas of the Group operations,
- implementation of measures under the *Grupa Azoty Group's Strategy for 2014-2020*, including the Azoty PRO programme,
- implementation of the Group's long-term financial model for 2014–2020,
- Group's sponsorship policy,
- optimisation of the logistics function within the Group.

In addition, the Supervisory Board also examined and supervised:

- implementation of the objectives set forth in the individual Management Board members' Goal Sheets, in line with the Rules of the Annual Bonus Scheme for Members of the Company's Management Board, as approved by the Supervisory Board,
- Grupa Azoty Group Management Incentive Scheme,
- spending under the ongoing projects,
- policy for long-term and short-term trade contracts, separately for feedstock and raw materials purchase contracts and contracts for sales of products,
- intragroup feedstock procurement policy,
- costs of contracted services by month and by type,
- Group IT policy,
- corporate ownership policy, including the Group's dividend policy and a schedule of actions to be taken with respect to core and non-core companies,
- rules governing incentive programmes at the Group,
- insurance strategy in place at the Group,
- the Group's investment and development management models,
- OHS compliance at the Group,
- procedure for managing confidential information at the Group.

In 2014, the Supervisory Board exercised ongoing supervision over the Company's activities using the following materials:

- monthly, quarterly and half-year financial statements,
- the Company's 2014 budget and the Group's consolidated 2014 budget,
- *Grupa Azoty Group's Strategy for 2014-2020 - Operationalisation*,
- information provided by the Management Board on ongoing Group initiatives, including the Group financing model, investment and development management models, strategy for managing Group's production assets and the corporate procurement strategy,
- reports on specific matters prepared by the Management Board at the Supervisory Board's request,
- source materials relevant to the issues reviewed by the Supervisory Board,
- information provided by the Management Board during Supervisory Board meetings,
- economic and legal expert reports prepared by third parties.

## **6.**

***Changes in the Management Board composition made by the Supervisory Board, suspension of Management Board members from duties, and delegation of Supervisory Board members to substitute for Management Board members***

As at January 1st 2014, the composition of the Company's Management Board was as follows:

Paweł Jarczewski - President of the Management Board  
Krzysztof Jałosiński - Vice-President of the Management Board  
Marek Kapłucha - Vice-President of the Management Board  
Marian Rybak - Vice-President of the Management Board  
Andrzej Skolmowski - Vice-President of the Management Board  
Witold Szczypiński - Vice-President of the Management Board  
Artur Kopeć - Member of the Management Board (elected by employees)

In connection with the expiry of the Management Board's ninth term of office, the Supervisory Board resolved to appoint the following persons as members of the Management Board for a new term, with effect from February 20th 2015:

Paweł Jarczewski - President of the Management Board  
Krzysztof Jałosiński - Vice-President of the Management Board  
Marek Kapłucha - Vice-President of the Management Board  
Marian Rybak - Vice-President of the Management Board  
Andrzej Skolmowski - Vice-President of the Management Board  
Witold Szczypiński - Vice-President of the Management Board

By a resolution of January 9th 2015, the Supervisory Board also ordered an election of a Management Board member representing the employees. In the election held on January 27th-February 11th 2015 r. (first round) and February 13th-February 23rd 2015 (second round), Mr Artur Kopeć received a majority of the votes (51.01%) and was appointed to the Management Board by virtue of a Supervisory Board resolution of February 26th 2015.

## **7.**

### ***Performance of General Meeting resolutions pertaining to the activities of the Supervisory Board***

No resolutions were passed by the General Meeting in 2014 that would pertain to the Supervisory Board's activities.

## **8**

### **Impact of pay increase on the Company's financial position**

The Supervisory Board monitored average monthly pay at the Company on an ongoing basis. In 2014, average pay at the Company, net of annual bonuses for 2013 performance, stood at PLN 5,062.27, and was higher by PLN 372.62, i.e. 7.9%, year on year. In 2014, allowances for work on a continuous and two-shift basis were increased to PLN 700 and PLN 420 per month, respectively.

Taking into account annual bonuses, average monthly pay at the Company in 2014 was PLN 5,401.75, up PLN 247.57 compared with 2013. In 2014, pay rates were increased with effect as of April 1st 2014. As a result of the above, salaries and wages at the Company grew by 4.8%.

The rules of remuneration and payment of bonuses, including the award of annual bonuses, are set out in the Collective Bargaining Agreement.

## **9.**

### **Implementation of strategic or recovery plans**

2014 saw continued implementation of the *Strategy of the Grupa Azoty Group for 2014-2020*, whose key objectives are:

- to deliver industry-leading rates of return to shareholders, and
- to maintain the Company's top-3 position in the European fertilizer market.

To achieve those objectives, three key action areas were identified:

- organic growth (to be achieved through implementation of corporate projects across the operating segments),
- operational excellence programme (seeking to achieve process improvements, implement efficient organisational structures and incentive schemes, enhance work efficiency and productivity, promote HR development, increase employee commitment, exchange experience, and explore innovative business solutions),
- efficiency boost through mergers and acquisitions.

## 10.

### **Supervisory Board's decisions on appointment of auditor, commissioning of expert reports, etc.**

On November 6th 2014, the Supervisory Board passed resolution No. 114/IX/2014 whereby it appointed KPMG Audyt Sp. z o.o. as the auditor of the separate financial statements of Grupa Azoty S.A. and consolidated financial statements of the Grupa Azoty Group for the financial years 2015 and 2016.

## 11.

### **Powers and responsibilities of the Supervisory Board**

Pursuant to Art. 33 of the Company's Articles of Association, the Supervisory Board's powers and responsibilities include:

- appointment and removal from office of Management Board members,
- determination of the rules and amounts of remuneration of Management Board members,
- suspension from duties, for a good reason, of individual or all Management Board members,
- delegation of Supervisory Board members to temporarily replace Management Board members who are unable to perform their duties,
- granting consent to Management Board members to sit on the governing bodies of other companies,
- assessment of the Directors' Report on the Company's operations and the financial statements for the previous financial year for consistency with the accounting records, documents, and the actual state of affairs, assessment of the Management Board's proposals on the allocation of profit or coverage of loss, and submission of written reports on the results of the assessment to the General Meeting,
- assessment of the Directors' Report on the Group's operations and the Group's consolidated financial statements for the previous financial year for consistency with the accounting records, documents, and the actual state of affairs, and submission of a written report on the results of the assessment to the General Meeting,
- appointment of the auditor to perform the review and audit of the financial statements of the Company and the consolidated financial statements of the Group,
- determination of the scope and submission dates of annual budgets as well as long-term strategic plans,

- approval of the Company's long-term strategic plans,
- approval of annual budgets including capital expenditure budgets,
- adoption of detailed rules governing the Supervisory Board's operation,
- adoption of the consolidated text of the Company's Articles of Association prepared by the Management Board,
- approval of the rules of procedure for the Company's Management Board,
- approval of the rules on donations,
- giving opinions on all matters submitted by the Management Board for consideration to the General Meeting,
- preparation of a report on the assessment of the Company's compliance with the adopted corporate governance standards in the reporting period, to be submitted to the Annual General Meeting,
- preparation of a report on the activities of the Supervisory Board, including the activities of the Supervisory Board committees, and assessment of the work of the Management Board, to be submitted to the Annual General Meeting,
- preparation of a report on the assessment of the Company's condition, including evaluation of its internal control and risk management systems, to be submitted to the Annual General Meeting.
- granting authority to the Management Board for:
  - o acquisition of real property, perpetual usufruct right or interest in real property, with a market value of up to PLN 10,000,000 (ten million zloty),
  - o disposal or encumbrance with limited property rights of real property, perpetual usufruct right or interest in real property,
  - o acquisition of non-current assets other than real property, perpetual usufruct right or interest in real property, with a market value of more than PLN 2,000,000 (two million zloty),
  - o disposal or encumbrance with limited property rights of non-current assets other than real property, perpetual usufruct right or interest in real property, with a market value of more than PLN 2,000,000 (two million zloty),
  - o assumption of contingent liabilities, including issuance by the Company of financial guarantees and sureties, or assumption of liability for third-party debt, with a value exceeding PLN 2,000,000 (two million zloty),
  - o issue, acceptance, and grant of avals, and endorsement of promissory notes, with a value exceeding PLN 2,000,000 (two million zloty),
  - o contracting a loan and/or credit facility or issue of bonds, where the Company's outstanding debt under loans and borrowings including the proposed loan and/or credit facility would exceed PLN 40,000,000 (forty million zloty),
  - o assumption of any other liability or disposal of an asset, where the value of such liability or asset, either in a single transaction or a series of related transactions, excluding transactions falling within the scope of current operations or maintenance and investments included in the annual budgets for the current year, exceeds PLN 6,000,000 (six million zloty),
  - o execution by the Company of an agreement concerning a donation or cancellation of debt with a value exceeding PLN 30,000 (thirty thousand zloty). If the total amount of donations granted or debts cancelled by the Company in a year exceeds PLN 500,000 (five hundred thousand zloty), any further donation or cancellation of debt above PLN 20,000 (twenty thousand zloty) requires approval of the Supervisory Board,
  - o formation or co-financing by the Company of foundations or other organisations other than commercial-law companies,
  - o formation of the Company's establishments, offices, branches or representative offices abroad,

- exercising voting rights at the general meetings of companies in which the Company holds at least a 50% interest where the voting concerns any of the following issues:
  - amendments to the company's articles of association,
  - increase in or reduction of the company's share capital,
  - merger, transformation or demerger of the company,
  - disposal of the company shares,
  - disposal or lease of the company's business or its organised part, or establishment of limited property rights in the company's business or its organised part, or acquisition or disposal of real property, perpetual usufruct right or interest in real property, if the market value of the asset exceeds PLN 200,000 (two hundred thousand złoty),
  - dissolution and liquidation of the company,
- establishment of another company or joining of another company by the Company,
- execution of a material agreement with a related party, excluding standard agreements concluded on an arm's length basis in the ordinary course of business.

## 12

### Activities of the Audit Committee

In 2014, the Supervisory Board's Audit Committee consisted of:

- Jacek Obłękowski (Chair)
- Marek Mroczkowski
- Tomasz Klikowicz

The tasks of the Audit Committee in the reporting period included:

- monitoring of the financial reporting process,
- monitoring of the effectiveness of internal control, internal audit and risk management systems in place at the Company,
- monitoring of financial audit activities,
- monitoring of the independence of the auditor and the auditing firm,
- monitoring of the audit of the annual separate and consolidated financial statements,
- monitoring of the work of the internal audit team,
- monitoring of the work and reports of the independent statutory auditor,
- analysing selected economic events relevant to the Company's operations.

From the beginning of 2014 to the date of this *Report*, the Audit Committee held three meetings, on:

- March 4th 2014
- October 28th 2014
- March 2nd 2015.

The activities of the Audit Committee are discussed in detail in the Audit Committee's Report, which is included in the records of the Supervisory Board.

The Audit Committee was involved in finalisation of the financial statements for 2014 and performed their assessment. The Audit Committee's recommendation for the Supervisory Board included in the assessment report was to approve the Company's and the Group's financial statements for 2014.

### 13.

#### Assessment of the work of the Management Board

The Supervisory Board issues a positive opinion on the Management Board's activities in 2014, including in particular:

- leveraging the synergies from the Group's consolidation,
- delivering the objectives set forth in the *Operationalisation of the Grupa Azoty Group's Strategy for 2014–2020*,
- implementation of the Azoty PRO Operational Excellence Programme, which seeks to deliver long-term efficiency improvements in the areas of production, power generation, maintenance, procurement, logistics and support functions,
- implementation of the individual objectives set forth in the Management Board members' Goal Sheets for 2014.

The collaboration between the Supervisory Board and the Management Board in the period under review was effective. This assessment concerns the aspects of cooperation between the two bodies provided for in the Company's Articles of Association and the Commercial Companies Code, i.e.:

- timely submission of materials related to the matters addressed at Supervisory Board's meetings and completeness of such materials,
- observance of the Supervisory Board's recommendations,
- communication of current information on the Company's operations.

Signatures of the members of the Supervisory Board of Grupa Azoty S.A.

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Monika Kacprzyk-Wojdyga  
/Chair of the  
Supervisory Board/

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Jacek Obłękowski  
/Deputy Chair of the  
Supervisory Board/

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Ewa Lis  
/Secretary of the  
Supervisory Board/

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Robert Kapka

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Tomasz Klikowicz

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