

RESOLUTION NO. 189/X/2018
OF THE SUPERVISORY BOARD OF GRUPA AZOTY S.A.
dated May 17th 2018

concerning Report of the Supervisory Board on assessment of the reasonableness of the Company's policies on sponsorship, charitable and similar initiatives in the period January 1st–December 31st 2017

Acting pursuant to Art. 32.1.21 in conjunction with Art. 50.21 of the Articles of Association of Grupa Azoty S.A., the Supervisory Board resolves as follows:

Section 1

The Supervisory Board authorises the Report of the Supervisory Board for the Annual General Meeting on the assessment of reasonableness of the Company's policies on sponsorship, charitable and similar initiatives in the period January 1st–December 31st 2017, as set out in the appendix hereto.

Section 2

The Supervisory Board requests the Annual General Meeting to consider the report referred to in Section 1.

Section 3

This Resolution shall become effective as of its date.

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

Votes in favour:	- 9
Abstentions:	- 0
Votes against:	- 0

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

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Tomasz Karusewicz
/Chairman of the Supervisory Board/

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Michał Gabryel
/Deputy Chairman of the Supervisory Board/

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Zbigniew Paprocki
/Secretary of the Supervisory Board/

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Piotr Czajkowski

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Monika Fill

[illegible signature]
Robert Kapka

[illegible signature]
Bartłomiej Litwińczuk

[illegible signature]
Ireneusz Purgacz

[illegible signature]
Roman Romaniszyn

REPORT
of the Supervisory Board of Grupa Azoty S.A. for the Annual General Meeting
on assessment of the reasonableness of the Company's policies on
sponsorship, charitable and
similar activities for the period January 1st–December 31st 2017

RULES AND DOCUMENTS

Rules governing the Company's sponsorship, charity and similar initiatives are set forth in the following documents:

1. 'Grupa Azoty Group's policy on CSR and sponsorship activities and its operation at the Group',
2. 'Grupa Azoty Group's donation policy',
3. 'Grupa Azoty S.A.'s donation rules',
4. 'Grupa Azoty Group's scholarship policy'.

1.

'Grupa Azoty Group's policy on CSR and sponsorship activities and its operation at the Group' was authorised by resolution of the Company's Management Board No. 530/IX/2013 of November 25th 2013 and received a favourable opinion from the Supervisory Board by resolution No. 47/IX/2013 of December 10th 2013. The document was implemented by internal order No. 58/IX/2013 of December 9th 2013.

2.

'Grupa Azoty Group's donation policy' was authorised by resolution of the Management Board No. 520/IX/2013 of November 19th 2013 and implemented by internal order No. 50/2013 of December 2nd 2013.

3.

'Grupa Azoty S.A.'s donation rules' was authorised by resolution of the Management Board No. 511/IX/2013 of October 29th 2013, approved by resolution of the Supervisory Board No. 48/IX/2013 of December 10th 2013, and implemented by internal order No. 53/2013 of December 2nd 2013 (along with Annex 1 implemented by internal order No. 17/2016 of May 24th 2016).

4.

'Grupa Azoty Group's scholarship policy' was authorised by the Management Board's resolution No. 492/IX/2013 of September 25th 2013 and implemented by internal order No.

51/2013 of December 2nd 2013.

Additionally, in 2017 Grupa Azoty S.A. prepared draft policies governing the PR, CSR, donation and sponsorship activities at Grupa Azoty S.A. and other Group companies. The drafts, adopted by way of the Management Board's resolution No. 1196/X/2017 of December 18th 2017, provide guidelines for recommended changes in:

1. the Grupa Azoty Group's sponsorship activities,
2. CSR initiatives,
3. granting donations,
4. communication with the public and building of the Grupa Azoty Group's corporate image.

The purpose of the policies is to define general rules for communication between the organisation and the public at Grupa Azoty S.A. and other Group companies. When becoming involved in various initiatives, the Group companies should pursue uniform objectives based on the uniform regulations of these documents. The policies are dedicated to departments of the Group companies majority owned by Grupa Azoty S.A. and subsidiaries that are responsible for PR, sponsorship, CSR, and donation areas.

In connection with the ongoing efforts to make the Group companies project a uniform corporate image, and with the occasional misuse of the Grupa Azoty logotype, including its inconsistent use by the key companies, Grupa Azoty S.A., by way of the Management Board's resolution No. 910/X/2017 of August 31st 2017, adopted a uniform and transparent system for using the logotype in sponsorship projects.

The Supervisory Board gives a favourable opinion on the initiatives designed to harmonise the above policies at Grupa Azoty S.A. and other Group companies.

REVIEW AND EVALUATION OF SPONSORSHIP ACTIVITIES

In 2017, the Supervisory Board monitored the Company's CSR and sponsorship activities on an ongoing basis.

In 2017, Grupa Azoty S.A. was engaged in a number of CSR and sponsorship projects. Through these activities, which include educational, cultural and sports projects, the Company supports the community and the region, thus building and promoting its perception as a valued and respected partner. Thanks to such efforts, the Company also builds stronger and lasting relations with its immediate social environment.

The Supervisory Board gives a favourable opinion on the reasonableness of the Company's sponsorship policy.

REVIEW AND EVALUATION OF CHARITABLE ACTIVITIES

Pursuant to the Articles of Association of Grupa Azoty S.A., the Supervisory Board's powers and responsibilities include:

- approval of the rules on donations (Art. 32.1.17 of the Articles of Association),
- the Company's entering into a donation agreement or an arrangement having a similar effect, as well as a debt cancellation agreement or another legal arrangement having a similar effect, in both cases if the value of the subject matter of such transaction exceeds PLN 20,000 or 0.1% of the Company's total assets,
- execution or amendment of an agreement for the provision of legal services, marketing services, public relations and social communication services, or management consultancy services, if the total fees for the services to be provided under such agreement exceed PLN 500,000, VAT exclusive, per year, or if the lump-sum or maximum amount of the fees is not provided for in the agreement (Art. 32.2.3 and Art. 32.2.5 of the Articles of Association),
- approval of the formation or co-financing by the Company of foundations or other organisations other than commercial-law companies (Art. 32.2.7 of the Articles of Association).

In view of the foregoing, in 2017 the Supervisory Board monitored the Group's charitable activities on an ongoing basis, including through review of the Management Board's resolutions concerning donations.

In 2017, the donees included: the Ignacy Mościcki Foundation of Tarnów, Mościckie Centrum Medyczne Sp. z o.o. of Tarnów, the 'Polish Community' (*Wspólnota Polska*) Association, the Local Committee for the Sponsorship of a Ceremonial Standard for the Polish Police Central Bureau of Investigation, the 'Gift for the Needy' Foundation, the Roman Catholic Parish of the Blessed Karolina Kózka in Tarnów, the Tarnów District Division of the Polish Red Cross for the city county of Tarnów, the Ignacy Mościcki Technical School Complex in Tarnów-Mościce, and the Jacek Maziarski Foundation.

The Supervisory Board gives a favourable opinion on the reasonableness of the Company's donation policy.

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

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Tomasz Karusewicz
/Chairman of the Supervisory
Board/

[illegible signature]
Michał Gabriel
/Deputy Chairman of the
Supervisory Board/

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Zbigniew Paprocki
/Secretary of the Supervisory
Board/

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Piotr Czajkowski

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Robert Kapka

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Bartłomiej Litwińczuk

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Ireneusz Purgacz

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Roman Romaniszyn