

**REPORT OF THE SUPERVISORY BOARD OF
CPD S.A.
COMPRISING:**

- 1. REPORT OF THE SUPERVISORY BOARD ON THE ACTIVITIES OF THE COMPANY IN THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2014**
- 2. EVALUATION OF THE FINANCIAL STATEMENTS OF THE COMPANY AND OF THE CAPITAL GROUP FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2014**
- 3. EVALUATION OF THE REPORT OF THE MANAGEMENT BOARD ON THE ACTIVITIES OF THE COMPANY AND OF THE CAPITAL GROUP FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2014**
- 4. REVIEW OF CONCLUSIONS OF THE MANAGEMENT BOARD ON ALLOCATION OF THE PROFIT**
- 5. MOTIONS TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF CPD S.A.**

WARSAW, 9 APRIL 2015

1. REPORT OF THE SUPERVISORY BOARD ON THE ACTIVITIES OF THE COMPANY IN THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2014

Pursuant to § 13.2.17 of the Rules of the Supervisory Board of CPD S.A. and in accordance with Rule III.1.2 of Good Practices for WSE listed companies, the Supervisory Board hereby presents the report on the activities of the Supervisory Board in 2014.

I COMPOSITION OF THE SUPERVISORY BOARD IN 2014

As at 31 December 2014, the Supervisory Board of CPD S.A. consisted of:

- | | |
|-----------------|----------------------|
| - Chairwoman | Ms Marzena Bielecka |
| - Vice-Chairman | Mr Wiesław Oleś |
| - Secretary | Mr Andrew Pegge |
| - Members | Mr Mirosław Gronicki |
| | Mr Wiesław Rozłucki. |

Ms Marzena Bielecka, Mr Wiesław Rozłucki and Mr Mirosław Gronicki are Independent Members of the Supervisory Board who meet the conditions for independence and who are qualified in accounting and financial auditing.

In accordance with § 11.2 of the Rules of the Supervisory Board of CPD S.A. and § 11.5 of the By-Laws of the Company, since the shares of the Company have been introduced to regulated trade on the Warsaw Stock Exchange on 23 December 2010, given the five person composition of the Supervisory Board, the tasks of the Audit Committee are performed collegially by the Supervisory Board i.e. all Members of the Supervisory Board are also members of the Audit Committee.

II ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board diligently fulfilled its obligations and maintained regular supervision over activities of the Company. The Supervisory Board performed its duties arising out of provisions of the law, By-Laws of CPD S.A. and Rules of the Supervisory Board of CPD S.A.

In 2014 the Supervisory Board of the Company adopted resolutions on the following dates and subjects:

- 9 January 2014 continued after the break ordered 3 December 2014 year:
 - resolution on approval of the minutes of the meeting of the Supervisory Board of 25 September 2014
 - resolution in case on appointment the Secretary of the Supervisory Board
 - resolution in case of approval of the budget for 2014.
- 18 March 2014 - resolutions have not been taken;
- 17 April 2014
 - resolution on approval of the minutes of the meeting of the Supervisory Board of 9 January 2015
 - resolution on evaluation of the financial statements of the Company for the financial year from 1 January to 31 December 2013;
 - resolution on the review of the report of the Management Board on the activities of the Company in 2013;
 - resolution on the review of the consolidated financial statements of the CPD Group for the financial year 2013;

- resolution on the review of the report of the Management Board on the activities of the Company in 2012;
- resolution on the review of the motion of the Management Board on covering of the loss for the financial year of 2012
- resolution on the adoption of the report of the Management Board on the activities of the Company in 2012;
- resolution on presentation of opinions on draft resolutions for the Extraordinary General Meeting of Shareholders of CPD S.A.
- 2 July 2014
 - resolution on approval of the minutes of the meeting of the Supervisory Board of 17 April 2014
 - resolution on opinion on the draft resolutions for the Extraordinary General Meeting of Celtic Property Developments S.A.
 - resolution on determining of the bonus remuneration for Management Board members of Celtic Property Developments S.A.
 - resolution on appointment of an auditor
- 18 August 2014 – in circular mode
 - -resolution on accepting consolidated text of Statute of Celtic Property Developments S.A.
- 26 September 2014 – in circular mode
 - resolution on accepting consolidated text of Statute of CPD S.A.
- 28 November 2014 - resolutions have not been taken;
- 11 December 2014
 - resolution on approval of the minutes of the meeting of the Supervisory Board of 2 July 2014
 - resolution in case of approval of the annual budget for 2015

III SELF-EVALUATION OF THE SUPERVISORY BOARD

The Supervisory Board diligently and properly fulfilled its obligations, as a specialised body responsible for maintaining regular supervision over activities of the Company.

In 2014, the composition of the Supervisory Board was in line with generally applicable provisions of the law and the requirements to be met by public listed companies. All members of the Supervisory Board are highly prepared and have extensive professional experience, therefore, they perform their duties and powers in a proper manner, which ensures supervision over the Company.

In 2014, the Supervisory Board held properly convened and prepared meetings. All the resolutions were adopted unanimously, which demonstrates the lack of differences as to the assessment of the work of the Management Board and handling of the Company's affairs. The agendas prepared by the Chairman of the Supervisory Board included issues which should be dealt with by the Supervisory Board in accordance with governing provisions of the law.

As a group of experts, the Supervisory Board also provided advice to the Management Board by contributing its experience and knowledge in connection with positions occupied in other entities. In addition, the Chairman of the Supervisory Board remained in constant contact with the Management Board and performed consultations on matters related to the ongoing operations of the Company.

Information passed on by the Management Board was prepared in a clear and reliable manner.

In reviewing the situation of the Company, the Supervisory Board took into account objective criteria and the financial performance of the Company.

In the opinion of the Supervisory Board, the Board is well positioned to carry out its statutory and regulatory responsibilities and properly supervised the Company in all material respects of its operations, in accordance with provisions of the law and statutory obligations.

IV EVALUATION OF THE COMPANY'S SITUATION

EVENTS AFFECTING GROUP ACTIVITIES AND FINANCIAL RESULTS

➤ INCREASE VALUE OF REAL ESTATE AT THE END OF THE YEAR 2014

In accordance to valuations made by Savills sp. at the end of 2014. total fair value of the property held by the Group and including investment properties and inventories amounted to PLN 587.9 million and was higher by PLN 137.3 million from the value reported at the end of 2013. The increase in value of the property has been recognized as a result of valuation of investment properties, which at the end of 2014. was positive and amounted to PLN 114.8 million. To increase the value of the property portfolio of the Group was mainly due to an increase in the value of the investment project in Ursus. It should be noted that the reduction in the real estate portfolio of parcel traffic as a result of gratuitous transfer of public land for m st. Warsaw, has not affected the value of the property portfolio and the opposite. Facilitated the transfer of the road to take a councilor m st. Warsaw decision to adopt a local development plan in the area of the former factories ZPC Ursus, thereby increasing the investment value of the whole area.

Significant impact on the increase in value of real estate in Ursus was also in return for the transfer of the company 4/113 Gaston Investments Sp. Z oo sp. k. The right of perpetual usufruct, which is a plot number 113 in conjunction with the ownership of buildings, structures and facilities located on the property, which are separate items of property ,.

Additional factors that positively affected the value of the Group's real estate portfolio had increases in the value of buildings Iris, Solar and Aquarius resulting from rising rental income in view of the increasing commercialization of space and the expected by analysts improvement on the commercial real estate rental market in Warsaw.

➤ VOTING OF MASTER PLAN FOR URSUS

Work on the master plan since the enactment of the study of conditions and directions of spatial m. st. Warsaw, as amended, and adoption of a resolution on the accession to the preparation of local development plan in the area of Orłów Piastowskich Street until its enactment lasted almost eight years.

Finally, the culmination of these years was put to the vote on 3 July 2014. City Council session Warsaw draft local development plan in the area of Orłów Piastowskich Street - part I.

City Council Warsaw, following a vote passed a resolution adopting the local development plan in the area of Orłów Piastowskich Street - part I.

This document allows to start area revitalization of degraded urban and organize an area of about 220 hectares, which represents 25% of the whole district Ursus. Currently, it is the area with the greatest potential investment in the m. St. Warszawa covered uniform development plan with excellent modern infrastructure solutions in the field of public transport: rail and road, located only 9 km from the city center and 5 minutes drive from the Frederic Chopin Airport.

In accordance with the provisions of the local plan for the area just CPD Group, as the largest investor can realize investments floor area of about 750 thousand square meters with about 652 thousand square meters can be used for housing, and 58 thousand for building commercial service and 40 thousand m² under public building. The Company intends to modify the above assumptions in order to optimize and increase the attractiveness of building locations for potential residents and thus achieve the maximum design value for its shareholders.

CPD Capital Group intends to develop a multi-functional urban area with buildings covering mainly residential apartments with an area of 40 - 80 m². Dwellings built under the project will be designed primarily for young working people or families looking for their first home. Housing price will be adjusted to market conditions and purchasing power of potential buyers. Easy and convenient access to the city center is to be the particular advantage of the project for the target audience.

➤ **NOTARIAL DEEDS**

As the culmination of nearly four years of ongoing discussions with the Capital City of Warsaw and the State Treasury, 3 July 2014., Subsidiaries of the Issuer: Challenge Eighteen limited liability company, 2/124 Gaston Investments Limited Liability Company LLP, the city of Warsaw, and the Treasury, entered into a contract in the form of notarial acts, including the transfer of perpetual usufruct of land plots for the city of Warsaw and the Treasury areas in the draft local development plan in the area of area Orłów Piastowskich Street - Part I, are intended for public spaces.

Detailed information is provided in the Report of the Company for the year ended 31 December 2014.

Free to get these areas through the city, is the next step in the Ursus district approximates a comprehensive revitalization of degraded brownfield sites of the former Industrial Plant Ursus. This enhances synchronized and balanced launch of a multifunctional urban investment in the above areas, and at the same time is extremely important impulse for the economic development of the whole district.

CPD Group, as the largest investor in the area wants in a sublime way to mark the start of the investment in the area covered by the newly adopted plan, which is part of a new chapter of cooperation between the government and the developer in the field of rural development in public buildings - roads, educational, cultural, including is organizing a museum dedicated to the history of Ursus, thereby stressing the importance it was to enact the plan of development of these areas not only for the residents of the district, but the whole of Warsaw. The adoption of the local plan is the culmination of all the other public investments in this area: among others, Warsaw Western Bypass, hub Salome and the newly built street thoroughfares. June 4, 1989. and st. Nowomory the railway tracts.

➤ **CREDIT AGREEMENTS WITH MBANK**

On 18 June 2014, a credit agreements were signed between Robin Investments sp. z o.o., Lakia Investmetns sp. z o.o. the Issuer's subsidiary, and mBank Hipoteczny S.A. Under which Robin Investments Sp. z o.o. was granted a credit of EUR 4,450,000 for refinancing the investments loan for office building "Aquarius" issued by HSBC Bank Polska S.A., and Lakia Investmetns sp. z o.o. was granted a credit of EUR 5.850.000 for refinancing the investments loan for office building "Solar" issued by HSBC Bank Polska S.A.

Detailed information about a collateral for repayment of a mortgage loan are provided in the Report of the Company for the year ended 31 December 2014.

➤ **AGREEMENT SIGNED BY CPD AND SUBSIDIARIES – BEGINNING OF INVESTMENT IN URSUS**

Start of housing investment in Ursus took place on September 10, 2014 year. That day was signed an investment agreement on a joint venture with The Group of Unibep, in terms of realization of complex buildings with services and associated infrastructure in Warsaw Ursus district.

The agreement was made between: CPD SA in Warsaw, Challenge Eighteen limited liability company in Warsaw, 1/95 Gaston Investments limited liability limited partnership with its registered office in Warsaw, Lakia Enterprise Ltd in Nicosia (Cyprus), and Unibep SA from Bielsko Podlaski, Unidevelopment SA from Warsaw.

The Agreement provides for a joint project be completed on the part of the property belonging to the Capital Group CPD ie. The company 1/95 Gaston Investments Sp. Z oo limited partnership in Warsaw. The property consists of the above plot no 95, no rev. Reg. No. 2-09-09, with an area of 3.6811 ha and is located at ul. Traktorzystów in Warsaw (Warsaw district - Ursus).

On the Property will be implemented in two phases, the construction of multi-family building complex services with accompanying infrastructure, with a projected area of approx. 20,000 m2 of usable space, which will be the general contractor company Unibep SA and the company Unidevelopment SA will be provided services investor representation on the Undertaking. The agreement also includes operations to conduct marketing activities related to the sale of apartments in the context of projects, and then on the total sales of usable space projects and profit distribution rules of the Operation.

Participation Group companies in the implementation of projects CPD is, among others, to:

- a) the implementation of the projects on the Property belonging to the Company's limited partnership,
- b) the provision by Gaston Investments Sp. z oo services, financial and operational control over the Undertaking and supervision Unibep SA as the general contractor.

The agreement was conditional and entered into force after agreement by the parties to all the Annexes to the Agreement and, as regards the accession Unidevelopment SA a limited partnership company, after obtaining the consent of the President of the Office of Competition and Consumer Protection for the concentration of entrepreneurs.

➤ **APPROVAL OF UOKIK**

On February 2015 issued by the President of the Office of Competition and Consumer Protection after antitrust proceedings initiated upon Challenge Eighteen sp. z o.o. with its registered office in Warsaw (the "Subsidiary"), Smart City sp. z o.o. with its registered office in Warsaw and Unidevelopment SA with its registered office in Warsaw, the President of the Office of Competition and Consumer Protection approved for concentration, involving the establishment of a joint venture Smart City sp. z o.o. in the organization of a limited partnership with its registered office in Warsaw by the Subsidiary, Smart City sp. z o.o. with its registered office in Warsaw and Unidevelopment SA with its registered office in Warsaw.

In this way, fulfilled the condition precedent of the Investment Agreement of September 10 2014 for accession Unidevelopment SA Smart City company limited partnership with its registered office in Warsaw.

➤ **ACCESSION UNIDEVELOPMENT SA DO LIMITED PARTNERSHIPS**

On 9 March 2015, the Memorandum of Association of Smart City w organizacji sp. z o.o. sp.k. was annexed, and under this annex Unidevelopment S.A. joined the Limited Partnership as a Limited Partner, made the first portion of their contribution, and committed to make the remaining portion of financial contribution until the date stipulated in the investment agreement of 10 September 2014.

➤ **ISSUE OF SERIES A BONDS**

On 26 September 2014, the Company issued tranche 1 of convertible bonds. The issued bonds are series A registered bonds with a nominal value of EUR 50,000.00 each, convertible to series G ordinary bearer shares in the Company with a nominal per-share value of PLN 0.10. Total nominal value of the issue under Resolution 3 of the Extraordinary General Meeting of Shareholders of 5 August 2014 does not exceed EUR 8,000,000.00. As a part of tranche 1, the Company issue 110 series A bonds with a nominal value of EUR 50,000 (say: fifty thousand euros) each and total nominal value of EUR 5,500,000. Bonds will be redeemed by the Company 3 years of the Issue Date, that is on 27 September 2017.

Apart from the above-mentioned issues, no other securities were issued by the Company in 2014. Until the report publication date, the Company has issued series B bonds.

➤ **REDEMPTION OF OWN SERIES B SHARES**

On 1 December 2014, District Court for the capital city of Warsaw in Warsaw registered decrease of the Company's share capital by PLN 173,239.40 (say: one hundred seventy three thousand two hundred thirty nine zlotys 40/100) as a result of redemption of 1,732,394 (say: one million seven hundred thirty two thousand three hundred ninety four) of the Company's own series B shares with a nominal per-share value of PLN 0.10 (say: 10/100 zlotys), carrying 1,732,394 votes at the General Meeting of the Company's Shareholders. The shares were redeemed under Resolution no. 22 of the Annual General Meeting of Shareholders of 29 May 2014 (Roll of Deeds A no. 6337/2014).

CHANGES IN THE COMPOSITION OF THE COMPANY'S MANAGEMENT BOARD

In 2014, the composition of the Company's Management Board changed as described in detail in section IV of this report. As a result of the changes, the following persons constituted the Management Board as of the day of publication hereof:

- Ms Elżbieta Wiczowska – President of the Management Board
- Mr Colin Kingsnorth – Member of the Management Board

- Ms Iwona Makarewicz – Member of the Management Board

SUMMARY

In the light of the events described above and having read the report of the Management Board on the activities of the Company in the financial year from 1 January 2013 to 31 December 2013, the Supervisory Board positively evaluates the activities and efforts of the Management Board in the said reporting period.

In the opinion of the Supervisory Board, the standalone and consolidated financial statements of the Company match the books, documents and the actual state of affairs and present a fair and true view of all information essential for evaluation of the material and financial situation of the Company as at 31 December 2013, as well as the financial result for the financial year from 1 January 2013 to 31 December 2013.

In the opinion of the Supervisory Board, despite the continuing difficult market situation, there are no significant threats to the Company's activities in the medium term, and the activities undertaken by the Company constitute grounds for the further activities and implementation of the established plans.

V INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The Management Board of the Company is responsible for the internal control system in the Company and its effectiveness in the process of preparing the financial statements and periodic reports prepared and published in accordance with the principles of Regulation of 19 February 2009 on current and periodic information provided by issuers of securities.

The assumption for the effective internal control system of the Company as regards financial reporting is to ensure the adequacy and accuracy of the financial information contained in the financial statements and periodic reports. The effective internal control system and the risk management system of the Company as regards the process of financial reporting was developed through the properly defined scope of financial reporting, as well as through division of responsibilities and work organisation in the process of financial reporting. Moreover, the Management Board regularly reviews the results of the Company with the use of the financial reporting applied.

The Company applies the principle of an independent review of the financial statements published, as required by provisions of the law. The interim and annual financial statements and financial reports published as well as financial data which are the basis for such reporting are reviewed by the auditor of the Company.

In addition, in accordance with the principles of corporate governance adopted by the Management Board and accepted by the General Meeting of Shareholders, an Audit Committee operates in the Company; the Audit Committee is composed of all the members of the Supervisory Board.

As part of further actions aimed at reducing the Company's exposures to the market risk, the Company will assess the potential and development projects and control the ongoing development projects based on the investment models and decision-making procedures implemented in the Company. In order to reduce the risks associated with development projects and tenancy agreements, the Company receives from subcontractors and tenants guarantees or insurance policies covering the most common risks associated with project implementation or policies to cover the rent from tenancy.

The risk management procedure is regularly updated by the Management Board of the Company and key managerial staff as well as external advisors.

In the opinion of the Supervisory Board, the Management Board has properly identified risks related to the activities of the Company, monitored them on the ongoing basis and effectively managed such risks.

2. EVALUATION OF THE FINANCIAL STATEMENTS OF THE COMPANY AND OF THE CAPITAL GROUP FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2014

Pursuant to Article 382 § 3 of the Code of Commercial Companies and § 11 (2) (4) of the By-Laws of the Company, the Supervisory Board evaluated:

- I the standalone financial statements of CPD S.A. for the year ended on 31 December 2014 and prepared in accordance with the International Financial Reporting Standards, comprising:
 - a) statement of financial position for the period from 1 January 2014 to 31 December 2014 with total assets and total liabilities and equity of PLN 459 134 thousand (in words: four hundred fifty nine million one hundred thirty four thousand zlotys);
 - b) statement of comprehensive income for the period from 1 January 2014 to 31 December 2014 with a comprehensive income of PLN 115 656 thousand (in words: one hundred fifteen million six hundred fifty six thousand zlotys);
 - c) statement of changes in equity for the period from 1 January 2014 to 31 December 2014, with the increase of equity by PLN 87 747 thousand (in words: eighty seven million seven hundred forty seven thousand zlotys);
 - d) cash flow statement for the period from 1 January 2014 to 31 December 2014 with increase of PLN 5 717 thousand (in words: five million seven hundred seventeen thousand zlotys);

- II The consolidated financial statements of the CPD Group for the year ended on 31 December 2014 and prepared in accordance with the International Financial Reporting Standards, comprising:
 - a) consolidated statement of financial position for the period from 1 January 2014 to 31 December 2014 with total assets and total liabilities and equity of PLN 621 056 thousand (in words: six hundred twenty one million fifty six thousand zlotys);
 - b) consolidated statement of comprehensive income for the period from 1 January 2014 to 31 December 2014 with a net loss of PLN 104 494 thousand (in words: one hundred four million four hundred ninety four thousand zlotys);
 - c) consolidated statement of changes in equity for the period from 1 January 2014 to 31 December 2014, with the increase of equity by PLN 75 131 thousand (in words: seventy five million one hundred thirty one thousand zlotys);
 - d) consolidated cash flow statement for the period from 1 January 2014 to 31 December 2014 with increase of PLN 6 789 thousand (in words: six million seven hundred eighty nine thousand zlotys);

The financial statements of the Company and the consolidated financial statements of the CPD Group for the financial year 2014 were audited under the contract concluded between CPD S.A. and PricewaterhouseCoopers sp. z o.o. z with its registered office in Warsaw, at Al. Armii Ludowej 14, 00-638 Warsaw, entered into the list of entity authorised to audit the financial statements kept by the National Council of Statutory Auditors under no. 144. The contract was concluded on the basis of the resolution of the Supervisory Board of the Company of 2 July, 2014.

When evaluating the financial statements, the Supervisory Board based its opinion in particular on the opinion of the statutory auditor, PricewaterhouseCoopers Sp. z o.o., and supplementary reports to that opinion. The Supervisory Board also sourced information from the Management Board of the Company.

In the opinion of the Supervisory Board, the financial statements of the Company match the books, documents and the actual state of affairs and present a fair and true view of all the information essential for evaluation of the material and financial situation of the Company as at 31 December

2014, as well as the financial result for the financial year from 1 January 2014 to 31 December 2014.

The Supervisory Board assessed the following statements and reports submitted by the Management Board:

- The standalone financial statements of the Company for the financial year ended on 31 December 2014,
- The report of the Management Board on the activities of CPD S.A. in 2014,
- The consolidated financial statements of the CPD Group for the year ended on 31 December 2014,
- The report of the Management Board on the activities of the CPD Group for the year ended on 31 December 2014,

and concluded, sharing the opinion of the statutory auditor, that the information contained in the aforementioned documents matches the books, documents and the actual state of affairs.

In the assessment of the Supervisory Board:

- a) The standalone financial statements of the Company for the year ended on 31 December 2014:
 - present a fair and true view of all information essential for evaluation of the material and financial situation of CPD S.A. as at 31 December 2014, as well as its financial result for the financial year from 1 January 2014 to 31 December 2014,
 - were prepared, in all major aspects, in the correct manner, namely in accordance with the accounting principles (policy) arising out of the International Financial Reporting Standards and related interpretations published in the form of regulations of the European Commission, and in the scope not regulated by such Standards, in accordance with the requirements of the Accounting Act and secondary legislation thereto as well as on the basis of properly kept accounting books,
 - comply with provisions of the law and provisions of the By-Laws of the Company which affect the content of the financial statements;
- b) The consolidated financial statements of the CPD Group for the year ended on 31 December 2014:
 - present a fair and true view of all the information essential for the evaluation of the material and financial situation of CPD S.A. as at 31 December 2014, as well as its financial result for the financial year from 1 January 2014 to 31 December 2014,
 - were prepared, in all major aspects, in the correct manner, namely in accordance with the accounting principles (policy) of the parent entity arising out of the International Accounting Standards and the International Financial Reporting Standards and related interpretations published in the form of regulations of the European Commission, and in the scope not regulated by such Standards, in accordance with the requirements of the Accounting Act and secondary legislation thereto as well as on the basis of properly kept accounting books,
 - comply with provisions of the law applicable to the CPD Group which affect the content of the consolidated financial statements;

3. EVALUATION OF THE REPORT OF THE MANAGEMENT BOARD ON THE ACTIVITIES OF THE COMPANY AND OF THE CAPITAL GROUP FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2014

Pursuant to Article 382 § 3 of the Code of Commercial Companies and § 11 (2) (5) of the By-Laws of the Company, the Supervisory Board evaluated the following reports submitted by the Management Board:

- The report of the Management Board on the activities of CPD S.A. in 2014;
- The report of the Management Board on the activities of the CPD Group in 2014

and concluded, sharing the opinion of the statutory auditor, that the information contained in the aforementioned documents matches the books, documents and the actual state of affairs.

The of the Supervisory Board found that the report of the Management Board on the activities of CPD S.A. in 2014 was complete as defined by Article 49 (2) of the Accounting Act and the Regulation of the Minister of Finance of 19 February 2009 on current and periodical reporting by issuers of securities and on the conditions under which the legally required information originating in a non-member state can be deemed equivalent thereof.

The information contained in the report of the Management Board on the activities of the Company and sourced from the audited financial statements matches such financial statements.

4. REVIEW OF CONCLUSIONS OF THE MANAGEMENT BOARD ON ALLOCATION OF THE PROFIT

The financial statements for the financial year ended on 31 December 2014, as prepared by the Company and audited by the independent statutory auditor, demonstrate the net profit of PLN 42 930 000 PLN (in words: forty two million nine hundred thirty thousand).

The Management Board of the Company presented a motion on how to allocate the net profit for the financial year 2014.

Having read the financial statements of the Company and the report of the Management Board on the activities of the Company, the Supervisory Board recommends that the Ordinary General Meeting of Shareholders of the Company should adopt a resolution on how to allocate the net profit in order to cover the loss for the financial year 2014 as requested in the motion presented by the Management Board.

5. MOTIONS TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF CPD S.A.

The Supervisory Board requests that the Ordinary General Meeting of Shareholders of CPD S.A. should:

- 1) Approve the financial statements of the Company for the year ended on 31 December 2014;
- 2) Approve the report of the Management Board on the activities of the Company in 2014;
- 3) Approve the consolidated financial statements of the CPD Group for the year ended on 31 December 2014;
- 4) Approve the report of the Management Board on the activities of the CPD Group for the year ended on 31 December 2014;
- 5) Approve the motion of the Management Board on covering the loss incurred in 2014;
- 6) Approve fulfilment of duties by Members of the Management Board of CPD S.A. in the financial year of 2014
 - Ms Elżbieta Donata Wiczowska – President of the Management Board,
 - Mr Colin Kingsnorth – Member of the Management Board,
 - Ms Iwona Makarewicz – Member of the Management Board,
 - Mr Piotr Turchoński – Member of the Management Board.
- 7) Approve fulfilment of duties by Members of the Supervisory Board of CPD S.A. in the financial year of 2014:
 - Ms Marzena Bielecka - Chairman of the Supervisory Board,
 - Mr Wiesław Oleś - Vice-Chairman of the Supervisory Board,
 - Mr Andrew Pegge – Secretary of the Supervisory Board,
 - Mr Mirosław Gronicki – Member of the Supervisory Board,
 - Mr Wiesław Rozłucki – Member of the Supervisory Board.