

Report of the Supervisory Board of Centrum Nowoczesnych Technologii S.A. on its activities along with a concise assessment of the Company's situation including the assessment of an internal audit system and risk management system relevant to the Company for the year 2014.

1. Report of the Supervisory Board on its activities in 2014.

The Supervisory Board of Centrum Nowoczesnych Technologii S.A. (former: "Energopol – Południe" S.A.) operated including the following persons in 2014:

In the period from 1 January 2014 till 10 June 2014:

- Lucjan Noras – Chairman of the Supervisory Board,
- Waldemar Dąbrowski – Deputy Chairman of the Supervisory Board,
- Katarzyna Ziółek – Secretary of the Supervisory Board,
- Marzena Nowakowska- Kisiel – Member of the Supervisory Board,
- Piotr Góralewski – Member of the Supervisory Board.

On 10 June 2014 the Ordinary General Assembly of the Company passed a resolution on recalling a member of the Supervisory Board - Ms Marzena Nowakowska – Kisiel and passed another resolution to appoint Mr Robert Wojtaś for a position of a member of the Supervisory Board.

From 10 June 2014 till 31 December 2014 the Supervisory Board composed of the following persons:

- Lucjan Noras – Chairman of the Supervisory Board,
- Waldemar Dąbrowski – Deputy Chairman of the Supervisory Board ,
- Katarzyna Kosińska – Secretary of the Supervisory Board,
- Robert Wojtaś – Member of the Supervisory Board,
- Piotr Góralewski – Member of the Supervisory Board.

In 2014 the Supervisory Board held 4 meetings with the minutes recorded. The Supervisory Board passed 5 resolutions by circular voting.

At its meetings, the Supervisory Board addressed matters related to the control and the oversight of the day-to-day operations of the Company in all aspects of its activity. At each sitting the Supervisory Board made an assessment of the current activity of the Company, its current economic and financial standing, and the basic economic ratios. Moreover, the Supervisory Board carried out a detailed analysis of the biggest contracts realised by the Company as well as actions performed within a range of the ITS projects. Simultaneously, in the fourth quarter the Supervisory Board also supervised the acquisition process of the Company GET EnTra sp. z o.o. based in Warsaw that is now a company dependent on CNT S.A.

Within its competences, the Supervisory Board at its seating on 12 May 2014 elected an entity authorised to audit the Company's financial statements for 2014, including consolidated financial statement of the Capital Group CNT S.A. The aforementioned entity was: BDO Sp. z o.o. based in Warsaw, registered as a company entitled to audit financial statements (certified by the National Chamber of Statutory Auditors) under the number 3355.

During the period of time covered above the Supervisory Board also made an assessment of the Management Board's report on the Company's business activities in the financial year 2013, and the Financial Statement for 2013, issuing opinions on the profit division for 2013.

The subject of the Centrum Nowoczesnych Technologii S.A. Supervisory Board's interest was, among others, the following issues:

- Cost analysis of the Company's activities,
- Company's budget forecast for years 2014 and 2015,
- Analysis of activities undertaken by the Management Board concerning ITS,
- Analysis of the acquisition process of the shares of GET EnTra sp. z o.o. based in Warsaw,
- The audit of risks occurring in the Company.

In 2014 the Supervisory Board did not include any separate committees. Composition of the Supervisory Board ensured realisation of any tasks resulting from its function of a supervisory body in a public company.

2. Brief assessment of the Company's situation including evaluation of the internal control system and the risk assessment system that is relevant to the Company.

In 2014 the Company undertook a range of actions aiming at extending its competences and the Company's fields of business activity, including a range of new services provided by the Company, particularly the services related to the development of the ITS projects. Simultaneously, the Company undertook measures towards using available financial resources in order to make a significant investment in a form of purchasing the shares of a company dealing with electricity supplies and gaining competence in the aforementioned market. The acquisition of GET EnTra sp. z o.o. based in Warsaw was finalised in the fourth quarter of 2014 and at present the company belongs to the Capital Group CNT S.A. Undertaking such actions, according to the Supervisory Board's assessment, increases the potential of the development, not only of the Company, but also the whole Capital Group in the years to come.

The Company ran its business activity in compliance with the provisions binding and applicable in Public Companies, among others, declared Corporate Governance.

As far as the Company's operations may be concerned, potential threats can be related to the economic situation on the market where the Company is active. However, the bodies of the Company continuously monitor these risks what allows taking proper and effective measures that minimise the impact of negative macroeconomic phenomena on the Company. Allocating available financial resources in the acquisition of the dependent company dealing with business activity in a totally different field than former Company's core activity shall also effectively minimise the risk related to obtaining income from a demanding market of construction works.

The Board is responsible for operations of the internal control system and for risk management, and they make a periodical assessment of:

- Identification and verification of risk factors,
- Assessment of the method of risk prevention based on the procedures and good practices prepared and implemented in the Company,
- Assessment of the effectiveness of the risk management.

It is a multi-level process with presence of specialised internal staff. The control system is based on:

- Procedures prepared and implemented in the Company,
- Periodical self-control tests,
- Accountancy and HR supervision on the basis of the ERP-class system,
- Regular controlling.

In the Company exist the following process concerning control system, supervised by the Management Board and carried out by particular organisational units:

1. Preparation of offers, including evaluation of works and compliance of the tender documentation,
2. Preparation of accountancy documents and financial statements,
3. HR and Safety at Work documents.

Additionally, in the Company there is a complex system of controlling the benchmarking of budget assumptions of particular contracts and overheads.

On a regular basis, the Board also monitors the risk for the Company on a macro scale and takes proper measures, among others, in a form of insurance agreements or capital management agreements.

The Supervisory Board considers the developed procedures consistent and coherent. The supervisory Board assesses the internal control system operating in the Company in 2014 positively as well as the risk management system relevant to the Company, concluding that their operations confine major risks in the Company's activity.