
**REPORT ON THE CONTROLLING ACTIVITIES OF THE SUPERVISORY BOARD OF UNIPETROL, A.S.
FOR THE ANNUAL GENERAL MEETING OF UNIPETROL, A.S.
HELD ON 5th JUNE 2012**

1. INTRODUCTION

The Supervisory Board of UNIPETROL, a.s. (hereinafter “**Unipetrol**”) hereby submits to the Regular General Meeting its Report on Controlling Activities in the period from 1st January 2011 to 23rd April 2012 (hereinafter the “**Report on Controlling Activities**”).

The Supervisory Board of Unipetrol declares that this Report on Controlling Activities was approved by the Supervisory Board of Unipetrol in its version as at 23rd April 2012.

2. MEETINGS OF THE SUPERVISORY BOARD

In the period from 1st January 2011 to 23rd April 2012 (including) eight (8) Supervisory Board meetings were organised in total. In the given period the Supervisory Board also voted per rollam six (6) times in total.

The individual meetings of the Supervisory Board took place on 21st February 2011, 5th May 2011, 12th October 2011, 8th December 2011, 13th December 2011, twice on 28th March 2012 and on 23rd April 2012.

The per rollam voting took place on the following dates: 8th–11th February 2011, 20th– 22nd April 2011, 30th May– 3rd June 2011, 29th–30th June 2011, 7th–13th September 2011 and 12th–16th April 2012.

3. COMPOSITION OF THE SUPERVISORY BOARD

In accordance with the provisions of the company’s Articles of Association, as amended, the Supervisory Board of Unipetrol consists of nine (9) members.

As of 1st January 2011 the Supervisory Board of UNIPETROL, a.s. had the following composition:

Dariusz Jacek Krawiec	Chairman of the Supervisory Board
Ivan Kočárník	Vice Chairman of the Supervisory Board
Sławomir Jędrzejczyk	Vice Chairman of the Supervisory Board
Zdeněk Černý	Member of the Supervisory Board
Bogdan Dzudzewicz	Member of the Supervisory Board
Piotr Kearney	Member of the Supervisory Board
Andrzej Kozłowski	Member of the Supervisory Board
Krystian Pater	Member of the Supervisory Board
Rafał Sekuła	Member of the Supervisory Board

On 30th June 2011 the General Meeting decided to elect Mr Dariusz Jacek Krawiec, Mr Sławomir Jędrzejczyk and Mr Piotr Kearney for another term of office as the Supervisory Board Members.

As of 23rd April 2012 the Supervisory Board of Unipetrol had the following composition:

Dariusz Jacek Krawiec	Chairman of the Supervisory Board
Ivan Kočárník	Vice Chairman of the Supervisory Board
Sławomir Jędrzejczyk	Vice Chairman of the Supervisory Board
Zdeněk Černý	Member of the Supervisory Board

Bogdan Dzudzewicz	Member of the Supervisory Board
Piotr Kearney	Member of the Supervisory Board
Andrzej Kozłowski	Member of the Supervisory Board
Krystian Pater	Member of the Supervisory Board
Rafał Sekuła	Member of the Supervisory Board

4. COMMITTEES OF THE SUPERVISORY BOARD Permanent Committees of the Supervisory Board

As at 1st January 2011 the following Committees of the Supervisory Board of Unipetrol were operating:

(a) HR and Corporate Governance Committee:

1. Krystian Pater	Committee Chairman
2. Bogdan Dzudzewicz	Deputy Committee Chairman
3. Zdeněk Černý	Committee Member
4. Rafał Sekuła	Committee Member

(b) Strategy and Finance Committee:

1. Sławomir Robert Jędrzejczyk	Committee Chairman
2. Andrzej Kozłowski	Deputy Committee Chairman
3. Piotr Kearney	Committee Member
4. Ivan Kočárník	Committee Member

After the changes in the composition of the Supervisory Board, based on the decision of the General Meeting made on 30th June 2011 Mr. Jędrzejczyk and Mr Kearney again became members of the Strategy and Finance Committee.

As of 23rd April 2012 the composition of the individual Supervisory Board Committees was as follows:

(a) HR and Corporate Governance Committee:

1. Krystian Pater	Committee Chairman
2. Bogdan Dzudzewicz	Deputy Committee Chairman
3. Zdeněk Černý	Committee Member
4. Rafał Sekuła	Committee Member

(b) Strategy and Finance Committee:

1. Sławomir Robert Jędrzejczyk	Committee Chairman
2. Andrzej Kozłowski	Deputy Committee Chairman
3. Piotr Kearney	Committee Member
4. Ivan Kočárník	Committee Member

The above Supervisory Board Committees are among the Supervisory Board Committees created obligatorily, in accordance with the Supervisory Board Rules of Procedure. In the last period they performed the duties assigned to them by the current Articles of Association of Unipetrol and regularly informed the Supervisory Board about the results of their activities at individual Supervisory Board meetings.

Thanks to the activities of the Supervisory Board Committees the activities of the Supervisory Board itself were made more efficient, as the individual matters within its competencies are regularly assigned to the appropriate Supervisory Board Committees for detailed analysis. The committees are composed of persons with extensive experience in the areas relevant to the specific committee.

The Supervisory Board bases its decisions on the results of the analyses prepared by the individual Supervisory Board Committees on particular subjects.

5. CONTROLLING ACTIVITIES OF THE SUPERVISORY BOARD

5.1 Regular controlling activity

As part of its standard supervising activities the Supervisory Board in the last period monitored and reviewed regularly the business activities of Unipetrol, the development of the HR situation and the implementation of the strategy.

In 2011 the Supervisory Board analysed in detail the company's financial situation, including the restructuring and investment activities and their impact on the generated financial results. The Supervisory Board also studied and evaluated the proposed business activities, optimisation activities and macroeconomic assumptions included by the Board of Directors in the Business Plan.

The company's Articles of Association were amended in June 2011; this led to amendments in the Supervisory Board documents, i.e. the Rules of Procedure of the Supervisory Board and its Committees. In the past year the proposed amendments to the corporate documents of the subsidiaries were also submitted to the Supervisory Board for evaluation. These proposals were intended to provide more flexibility to the activities performed in these companies and aligning them with the expectations of the market environment. The Supervisory Board also gave its opinion concerning the proposed organisational changes as well as the remuneration and bonus rules in the Unipetrol Group.

The Supervisory Board and the individual Supervisory Board Committees regularly discussed the current activities of the Board of Directors of Unipetrol. Due to this fact both the Supervisory Board and its Committees analysed, among other matters, the financial results of Unipetrol, turn around realization within UNIPETROL Group and the ongoing work on the project of removal of old ecological burdens in the Unipetrol Group companies.

In 2011 and in 2012 the Supervisory Board, fulfilling its obligations resulting both from the generally applicable laws and the appropriate corporate documents, gave its opinion on the full set of materials submitted by the Board of Directors to the Regular General Meeting of the company.

The Supervisory Board of Unipetrol declares that as part of realisation of its supervising duties it did not find any significant deficiencies in the activity of the Board of Directors of Unipetrol in the above matters.

5.2 Controlling activities on request of a shareholder

In the period from 1st January 2011 to 23rd April 2012 the Supervisory Board did not perform any controlling activities on request of a shareholder.

6. EVALUATION OF THE COMPANY'S SITUATION

On the basis of its regular supervising activities in Unipetrol the Supervisory Board declares that the situation in Unipetrol is stable and that the Supervisory Board of Unipetrol did not discover during its supervising activities any significant deficiencies in the activity of the Board of Directors of Unipetrol

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Prague, 23rd April 2012

Supervisory Board of UNIPETROL, a.s.