
**REPORT ON THE CONTROLLING ACTIVITIES OF THE SUPERVISORY
BOARD OF UNIPETROL, A.S. FOR THE ANNUAL GENERAL MEETING OF
UNIPETROL, A.S.
HELD ON 26 MAY 2014**

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 2013 to 14th April 2014 (hereinafter the “**Report on Controlling Activities**”).

The Supervisory Board of Unipetrol states that this Report on Controlling Activities was approved by the Supervisory Board of Unipetrol in its version dated 14th April 2014.

2. MEETINGS OF THE SUPERVISORY BOARD

In the period from 1st January 2013 to 14th April 2014 nine (9) Supervisory Board meetings were organised in total. In the given period the Supervisory Board also voted per rollam five (5) times in total.

The individual meetings of the Supervisory Board took place on 6th February 2013 (twice), 8th April 2013 (twice), 5th June 2013, 29th October 2013, 12th December 2013, 29th January 2014 and 20th March 2014.

The per rollam voting took place on the following dates: 10th-13th May 2013, 21st May 2013, 22nd-27th August 2012, 31st October - 4th November 2013 and 5th-8th November 2013.

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 has nine (9) members.

As of 1st January 2013 the Supervisory Board of UNIPETROL, a.s. had the following composition:

Dariusz Jacek Krawiec	Chairman of the Supervisory Board
Sławomir Jędrzejczyk	Vice-Chairman of the Supervisory Board
Ivan Kočárník	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
Krzysztof Pater	Member of the Supervisory Board
Rafał Sekuła	Member of the Supervisory Board

In relation with expiration of a term of office of Mr Rafał Sekuła in the Supervisory Board of Unipetrol on 6th February 2013 the Supervisory Board decided to co-opt Mr Rafał Sekuła as a substitute member of the Supervisory Board until the next General Meeting.

On 8th April 2013 Mr Andrzej Kozłowski resigned from the office of a member of the Supervisory Board. The same day, the Supervisory Board decided to co-opt Mr Piotr Chełmiński as a substitute member of the Supervisory Board with an effect from 9th April 2013 until the next General Meeting.

Based on the decision of the General Meeting made on 24th June 2013, Mr Zdeněk Černý, Mr Piotr Chełmiński, Mr Krystian Pater and Mr Rafał Sekuła were elected members of the Supervisory Board for another term of office.

As at 14th April 2014 the Supervisory Board of Unipetrol had the following composition:

Dariusz Jacek Krawiec	Chairman of the Supervisory Board
Sławomir Jędrzejczyk	Vice-Chairman of the Supervisory Board
Ivan Kočárník	Vice-Chairman of the Supervisory Board
Zdeněk Černý	Member of the Supervisory Board
Piotr Chełmiński	Member of the Supervisory Board
Bogdan Dzudzewicz	Member of the Supervisory Board
Piotr Kearney	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 of 1st January 2013 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	Committee Vice-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	Committee Vice-Chairman

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| 3. Piotr Kearney | Committee Member |
| 4. Ivan Kočárník | Committee Member |

After the decision of the Supervisory Board to co-opt Mr Rafał Sekuła to the Supervisory Board as of 6th February 2013, Mr Rafał Sekuła became a member of the HR and Corporate Governance Committee again.

After the changes in the composition of the Supervisory Board based on the decision of the General Meeting made on 24th June 2013, Mr Piotr Chełmiński became a member of the Strategy and Finance Committee and Mr Krystian Pater, Mr Zdeněk Černý and Mr Rafał Sekuła became members of the HR and Corporate Governance Committee.

As of 14th April 2014 the composition of the individual Supervisory Board Committees was as follows:

(a) HR and Corporate Governance Committee:

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

(b) Strategy and Finance Committee:

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|-------------------------|-------------------------|
| 1. Sławomir Jędrzejczyk | Committee Chairman |
| 2. Piotr Chełmiński | Committee Vice-Chairman |
| 3. Piotr Kearney | Committee Member |
| 4. Ivan Kočárník | Committee Member |

The above Supervisory Board Committees are among the Supervisory Board Committees created in accordance with the Unipetrol Articles of Association. 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.

5. CONTROLLING ACTIVITIES OF THE SUPERVISORY BOARD

5.1 Regular controlling activity

As part of its standard supervising activities the Supervisory Board supervised in the last period the activities of Board of Directors of Unipetrol, monitored the Group's financial situation as well as the development of the top management.

The key document discussed and approved by the Supervisory Board in 2013 was the Unipetrol Group's Strategy 2013-2017. The Strategy focuses on productivity increase as well as on optimization of operational activities within the scope of 4 pillars of the Strategy: refinery, petrochemicals, retail and energy. In connection with the Strategy, the Supervisory Board additionally analysed and subsequently approved the Group's operational objectives reflected in the financial plan 2014.

In accordance with the Strategy, the Supervisory Board discussed in detail the proposal as well as terms of transaction with the company Shell Overseas Investments B.V. regarding acquisition of 16.335% shares of the company ČESKÁ RAFINÉRSKÁ, a.s. This transaction is a confirmation of the strategic which is a long-term growth of Unipetrol. The shares purchase supports the integration of refining and petrochemical segment, in particular thanks to the raw materials supplies security improvement for development of petrochemicals, in which Unipetrol plans the highest investment expenditures.

The Supervisory Board and its individual Committees regularly discussed the Group's financial situation and the steps taken by the Board of Directors. The Supervisory Board agreed with increasing of the share capital in PARAMO, a.s., discussed proposals for profit distribution of Group's subsidiaries as well as approved the extra funding from the PKN ORLEN S.A. in the amount of 4 billion CZK for a period of 3 years.

As part of standardisation of the corporate documents' contents and implementation of changes introduced by the change to the Czech commercial law, in the relevant period a process of changes to the statutory documents of the Unipetrol Group companies and to the managerial contracts of the Group's top management was launched. Within this, the Supervisory Board also analysed the remuneration and bonus-awarding rules in the Unipetrol Group.

In 2013 and 2014 the Supervisory Board, fulfilling its obligations resulting both from the generally applicable laws and the appropriate internal regulations, gave its opinion on the full set of materials submitted by the Board of Directors to the Regular General Meeting of the company.

In the period under review, the Supervisory Board made a decision on appointment of Mr Mirosław Kastelik to the Board of Directors and expressed a positive statement to appointment of Mr Marek Świtajewski into the office of Chief Executive Officer of Unipetrol. The Supervisory Board as well as its Committees

gave its opinion and at the same time agreed with conducting a number of personal changes in statutory and controlling bodies in the companies within the Unipetrol Group.

The Supervisory Board of Unipetrol declares that as part of realisation of its supervising duties it did not find any material 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 2013 to 14th April 2014 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 material deficiencies in the activity of the Board of Directors of Unipetrol.

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Prague, 14th April 2014

Supervisory Board of UNIPETROL, a.s.