

REPORT ON THE ACTIVITIES OF THE SUPERVISORY BOARD OF CYFROWY POLSAT S.A. IN 2014

The Supervisory Board presents the report on its activities in the financial year 2014, comprising, in particular, an assessment of the Management Board's report on activities of Cyfrowy Polsat S.A. (the 'Company') in the financial year 2014, financial statements of the Company for the financial year 2014 and of the motion for distribution of profit generated by the Company in the financial year 2014, as well as an assessment of the internal control system and system of management of risks relevant to the Company.

1. Composition of the Supervisory Board

In the period from January 1, 2014 to December 31, 2014 the Supervisory Board comprised:

- 1) Mr. Zygmunt Solorz-Żak;
- 2) Mr. Heronim Ruta;
- 3) Mr. Andrzej Papis;
- 4) Mr. Robert Gwiazdowski;
- 5) Mr. Leszek Reksa.

In 2012, all members of the Supervisory Board were appointed for another 3-year term pursuant to the resolutions of Annual General Meeting adopted on June 5, 2012.

Robert Gwiazdowski and Pan Leszek Reksa were appointed as independent members of the Supervisory Board, thereby complying with principle No. III.6 of the Code of Best Practices for WSE Listed Companies, adopted by a resolution of the WSE Supervisory Board of July 4, 2007 with further amendments, according to which at least two members of the Supervisory Board should fulfill the criteria of independence from the Company and parties related to the Company.

In the period from January 1, 2014 to December 31, 2014 Mr. Zygmunt Solorz-Żak held the position of Chairman of the Supervisory Board.

2. The scope of activities of the Supervisory Board

The Supervisory Board acts on the basis of Commercial Companies Code as well as the Company's Articles of Association and Regulations of the Supervisory Board of the Company dated December 3, 2007.

In 2014, the Supervisory Board performed constant supervision over the activities of the Company in all its fields of operation. The Supervisory Board devoted particular attention to the analysis of the financial performance, mainly in the context of building the position of market leader by the Company in all areas of activity, especially through the development of the Company's services including internet access in LTE technology and integrated services based on the cooperation with Polkomtel. Sp. z o.o., the Company's subsidiary. The Supervisory Board positively evaluates activities undertaken by the Management Board of the Company aimed at the realization of synergies announced during the acquisition of Metelem Holding Company Limited, the indirect parent of Polkomtel Sp. z o.o., in particular regarding integration on the operating level, joint sales and marketing campaigns and finances.

The Supervisory Board has also closely followed the changes occurring on the Polish media and telecommunications markets, monitoring the risks and the Company's readiness to face the challenges related to them, in particular through the operational integration with Polkomtel Sp. z o.o., operator of the mobile network 'Plus'.

The Supervisory Board, upon familiarizing themselves with the plan of activities for 2014 and the planned budget allocated to its execution, approved and adopted the budget of the Company and the budget of Cyfrowy Polsat Capital Group for 2014.

In 2014, the Supervisory Board focused in particular on supervising the transaction of acquisition of shares in Metelem Holding Company Limited, the indirect parent of Polkomtel Sp. z o.o. Specifically, the Supervisory Board issued positive opinions on draft resolutions of the General Meeting of Shareholders designed to fulfill the conditions precedent set forth in the investment agreements concluded between the Company and shareholders of Metelem Holding Company Limited and gave its consent to the premature repayment of debt under both the senior facilities agreement of March 31, 2011, concluded between the Company and a consortium of Polish and international banks, and the Series A unsecured registered notes of the total nominal value of EUR 350 million, issued by the Company on May 20, 2011. The Supervisory Board also gave its consent for the Company to incur new financial liabilities in order to refinance the debt described above.

In 2014, pursuant to article 19 section 2 point c) of the Articles of Association, the Supervisory Board appointed to the Management Board of the Company for a joint three year term started on June 11, 2013:

- Mr. Tomasz Gillner-Gorywoda, to the position of President of the Management Board of the Company, pursuant to the resolution adopted on October 28, 2014;
- Mr. Tobiasz Solorz, initially to the position of Member of the Management Board and subsequently the Vice-president of the Management Board of the Company, pursuant to the resolutions adopted on July 30, 2014; and
- Mr. Maciej Stec, to the position of Member of the Management Board, pursuant to the resolution adopted on November 4, 2014.

Acting Pursuant to article 19 section 2 point g) of the Articles of Association, the Supervisory Board determined the monthly remuneration of Mr. Tobiasz Solorz and Mr. Maciej Stec. The Supervisory Board also the authorized the Chairman of the Supervisory Board to determine the terms and conclude an agreement with Mr. Tomasz Gillner-Gorywoda acting as the President of the Management Board of the Company.

Pursuant to article 19 section 3 point e), g) and h) of the Company's Articles of Association, the Supervisory Board:

- approved the conditions and agreed to the conclusion by the Company of a new Senior Facilities Agreement in order to secure the refinancing of the Company's debt under both the senior facilities agreement of March 31, 2011, concluded between the Company and a consortium of Polish and international banks, and the Series A unsecured registered notes of the total nominal value of EUR 350 million, issued by the Company on May 20, 2011;
- agreed for Cyfrowy Polsat S.A. to conclude agreements establishing guarantees and security interests related to the repayment of debt under the new Senior Facilities Agreement;
- agreed to an increase in the share capital of Metelem Holding Company Limited by way of issue of new shares and for Cyfrowy Polsat S.A. to acquire the new shares;
- agreed for the Company. to establish registered and financial pledges on all new shares in the increased share capital of Metelem Holding Company Limited in favor of UniCredit Bank AG, Oddział w Londynie;
- repeatedly agreed for the Company to incur liabilities exceeding PLN 10,000,000 (including i.a. conclusion/prolongation of license agreements and purchase of additional equipment for the reception of satellite television).

Acting pursuant to article 19 section 3 point f) of the Articles of Association, the Supervisory Board repeatedly approved the appointment or dismissal of members of authorities of the Company's subsidiaries.

Acting pursuant to article 19 section 3 point i) of the Articles of Association, the Supervisory Board issued a positive opinion regarding the Dividend Policy of Cyfrowy Polsat S.A., adopted by the Management Board on January 22, 2014.

Based on the authorization granted by the Extraordinary General Meeting, in 2014 the Supervisory Board adopted the consolidated text of the Company's Articles of Association, amended by the resolution of the Extraordinary General Meeting on September 23, 2014, concerning the change in share capital of the Company and the change of representation of the Company.

Since August 4, 2008, when the Supervisory Board appointed the Audit Committee and the Remuneration Committee, the Audit Committee has comprised: Heronim Ruta, Robert Gwiazdowski and Leszek Reksa, and the Remuneration Committee has comprised: Zygmunt Solorz-Żak and Heronim Ruta (both Committees were appointed in unchanged composition on the day of formation of the Supervisory Board for the new term).

Members of the Audit Committee and the Remuneration Committee held meetings with the Management Board to discuss issues related to the evaluation of the internal control system and the system of management of risks relevant to the Company.

Acting pursuant to article 382 § 3 of the Commercial Companies Code, article 19 section 2 point a) and b) of the Articles of Association of the Company and point III.1.1 of the Code of Best Practices for WSE-Listed Companies, the Supervisory Board approved the report on its activities in the financial year 2013, containing in particular results of the evaluation of the Management Board's report on the Company's activities in the financial year 2013, of the financial statements of the Company for the financial year 2013 and of the motion of the Management Board concerning the distribution of the profit

generated by the Company in the financial year 2013, as well as the evaluation of the internal control system and the system of management of risks relevant to the Company.

In 2014, the Supervisory Board recommended to the Annual General Meeting to approve the financial statements for the financial year 2013 and to grant a vote of approval for the performance of duties in 2013 to the Members of the Management Board. After having analyzed it, the Supervisory Board gave a positive opinion on the motion of the Management Board regarding the distribution of net profit earned by the Company in the financial year 2013 in the amount of PLN 429,012,674.99 in such a way that PLN 102,859,516.76 was distributed as dividends to the shareholders of the Company and the remaining net profit of PLN 326,153,158.23 was allocated to the reserve capital.

Acting Pursuant to article 19 section 2 point h) of the Articles of Association, the Supervisory Board of the Company appointed PricewaterhouseCoopers Sp. z o.o. with its seat in Warsaw to conduct the audit of the financial statements of the Company and the consolidated financial statements for the financial year 2014.

In 2014 the Supervisory Board did not conduct any control or explanatory process, and did not suspend members of the Company's Management Board. On October 28, 2014 the Supervisory board accepted Dominik Libicki's resignation from the position of President of the Management Board of Cyfrowy Polsat S.A.

3. Assessment of the internal control system and the system of management of risks relevant to the Company

In the Company there is an internal control system and the Management Board of the Company is responsible for its efficiency. The internal control system covers the main processes of the Company's activities, where there is a need of establishing control mechanisms in order to monitor and limit the risks relevant to the Company. The primary task of this system is to assure realization of business goals of the Company. The Company maintains and updates the organizational structure, incorporating clearly defined reporting lines, responsibilities and levels of authorization on daily basis, which enables offsetting the risks related to the business conducted. In the opinion of the Supervisory Board, the system of internal control and management of risks relevant to the Company is at a satisfactory level.

4. Assessment of report of the Management Board's report on activities of the Company in the financial year 2014, financial statements of the Company for the financial year 2014 and the motion of the Management Board regarding distribution of profit generated by the Company in the financial year 2014

The Supervisory Board of Cyfrowy Polsat S.A. seated in Warsaw presents a report on the results of assessment of the following reports of the Company for the financial year 2014:

1. Financial Statements of the Company
2. The Management Board's report on activities of the Company and
3. Evaluation of the motion of the Management Board regarding distribution of profit.

Ad. 1

The Supervisory Board, having considered the opinion and report of the certified auditor on the course and results of the audit of the financial statements of the Company for the year 2014 and having evaluated the report, states that the financial statements of the Company for the financial year 2014 were prepared based on properly held ledgers, are compliant in terms of form and contents with the provisions of law in force and fairly present all the information relevant to the evaluation of profitability and financial results in the audited period, as well as of the financial and economical situation of the Company as at December 31, 2014. Moreover, the Supervisory Board acknowledges that the financial statements of the Company for the financial year 2014 are compliant with the books and documents of the Company as well as with the actual state. Therefore, the Supervisory Board puts forward a motion to the General Meeting to approve the financial statements of the Company for the financial year 2014.

Ad. 2

The Supervisory Board, having analyzed and evaluated the Management Board's report on activities of the Company in 2014, acknowledges that the Management Board's report on activities of the Company in the financial year 2014 is compliant with the books and documents of the Company as well as with the actual state. Therefore, the Supervisory Board approves the presented report and puts forward a motion to the General Meeting to approve it. Moreover, the Supervisory Board puts forward a motion to the General Meeting to grant a vote of approval for the performance of duties in the financial year 2014 to Mr. Dominik Libicki, who acted as President of the Management Board until October 28, 2014 and the current President of

the Management Board - Mr. Tomasz Gillner-Gorywoda, the Vice-president of the Management Board – Mr. Tobias Solorz and Members of the Management Board: Mr. Dariusz Działkowski, Mrs. Aneta Jaskólska. Mr. Maciej Stec and Mr. Tomasz Szelaq.

Ad. 3

The Supervisory Board, having considered the motion of the Management Board regarding the allocation of total net profit for the financial year 2014 in the amount of PLN 177,213,590.79 to the reserve capital, issues a positive opinion and puts forward the motion to the General Meeting to adopt a resolution regarding distribution of profit in the way proposed by the Management Board.