



SIGNIFICANT EVENTS

LETTER OF INTENT SIGNED WITH KGHM POLSKA MIEDŹ S.A. >

On January 16th 2014, the Management Boards of the Parent and KGHM Polska Miedź S.A. of Lubin signed a letter of intent outlining general terms on which the parties may collaborate in the areas of phosphogypsum processing, acquisition of potassium chloride deposits abroad, accessing natural gas reserves, construction of a polygeneration power plant, and phosphate rock exploration and production.

Collaboration in these areas is a step towards implementation of the Parent's strategy. In order to maintain production continuity and maximise utilisation of its production capacities, the Parent seeks to secure strategic feedstock supplies from new or alternative sources, also by forming equity relationships with suppliers.

A similar agreement was signed on January 10th 2014 by the Management Boards of Grupa Azoty PUŁAWY, Gdańskie Zakłady Nawozów Fosforowych Fosfory Sp. z o.o. and KGHM Polska Miedź S.A. It defines the objectives of a joint-venture project in the exploration for, appraisal and production of potassium chloride, phosphates, halite and non-ferrous metals. The agreement marks another step in the cooperation initiated with the letter of intent between Gdańskie Zakłady Nawozów Fosforowych Fosfory Sp. z o.o. and KGHM Polska Miedź S.A. on the joint execution of projects in the exploration for and appraisal of mineral deposits, including potassium chloride, and mining projects involving the development of existing mineral deposits, in Poland and abroad, as well as on the management of recyclable materials (waste) in the recovery of critical metals (including rare earth metals).

LETTER OF INTENT SIGNED WITH CHEMICAL RESEARCH INSTITUTES >

The letter of intent was signed during the 2014 Polish Chemical Industry Congress on June 13th 2014.

The purpose of the letter is to use the research potential and infrastructure of the institutes to help implement Grupa Azoty Group's growth strategy. The cooperation is also expected to improve chances of success in applying for co-financing of business activities (e.g. from the Innovative Development Operational Programme).

As stated in the letter of intent, the Parent will engage the research institutes to perform R&D work and develop strategic plans and growth programmes. It will also finance or co-finance these projects. The research institutes declared the intention to work with the Parent on preparation of applications for co-financing of R&D work and give priority to projects carried out as part of the cooperation.

EXECUTION OF TRADE AGREEMENT WITH COMEXPORT >

Grupa Azoty and Comexport of Brazil executed a framework trade agreement. As declared in the agreement, Comexport will purchase Grupa Azoty's polyamide, whose possible uses include production of structural fibres. The polymer sold to Comexport will ultimately be produced at the new PA6 plant in Tarnów. The new plant with an annual capacity of 80,000 tonnes is scheduled for launch in Q4 2016.

The agreement, signed on June 20th 2014, is also viewed as the basis for considering a potential joint venture project to further process the product in Brazil.

The sale of polyamide to Brazil will be a continuation of the business relationship between Grupa Azoty and Comexport. At the end of 2013, as part of its negotiations of fertilizer contracts for the coming years, Grupa Azoty entered into a series of trade

contracts with Comexport. The contracts for sale of ammonium sulfate produced in Tarnów and Puławy, as well as compound fertilizers produced in Police, are effective until the end of 2016.

GRUPA AZOTY PLACED ON THE LIST OF THE STATE TREASURY'S STRATEGIC ENTERPRISES

On August 5th 2014, the Ministry of State Treasury announced that Grupa Azoty had been placed on the list of strategic enterprises.

The 'List of enterprises of strategic importance to Poland's economy' constitutes an appendix to the document 'Priorities in managing enterprises supervised by the Minister of State Treasury until 2015', whose first version was approved by the Council of the Ministry of State Treasury on April 30th 2014.

The list was reviewed by the Council of Ministers on August 5th 2014. In addition to Grupa Azoty, the list includes 21 other companies playing a leading role in Poland's reindustrialisation.

OPERATIONALISATION OF THE GRUPA AZOTY GROUP'S STRATEGY

In its continued work on strategic planning, commenced in 2013 with the adoption of the Strategy of the Grupa Azoty Group for 2013–2020, on August 14th 2014 the Group's Management Board published the key assumptions of the 'Strategy of the Grupa Azoty Group for 2014–2020. Operationalisation' (for more information, see section 6.3. Growth directions).

ABANDONMENT OF PLAN TO ACQUIRE SHARES IN ZAKŁADY CHEMICZNE ORGANIKA-SARZYNA S.A.

The Management Board of Grupa Azoty PUŁAWY announced that on November 5th 2014 it resolved to abandon the plan to acquire shares in Zakłady Chemiczne Organika-Sarzyyna S.A. from CIECH S.A. The resolution was adopted in connection with Ciech S.A.'s publication of a current report concerning the approval of the Ciech Group's strategy for 2014–2019 and the information published in CIECH S.A.'s official web page. Pursuant to those disclosures, the Ciech Group's organic chemistry segment will be developed based on Zakłady Chemiczne Organika-Sarzyyna S.A., which will remain within the Ciech Group.

REVENUE FROM GENERATION OF ERUS

In 2014, companies of the Grupa Azoty Group generated no income from sale of ERUs.

In 2014, Grupa Azoty PUŁAWY continued its involvement in the procedure aimed at resolution of the dispute concerning payment for delivered ERUs before ICC International Court of Arbitration in London. On November 12th 2014, a mediation involving Grupa Azoty PUŁAWY and Solvay Energy Services SAS was held in London with a view to ending the dispute (the mediation was held within the framework of CEDR – Centre for Effective Dispute Resolution). The mediation did not lead to an agreement, but in the course of further work preliminary terms and conditions of a settlement were drafted.

VERIFICATION OF CO₂ EMISSIONS

Audits were carried out in all Grupa Azoty Group companies in early 2014 to verify the level of CO₂ emissions in 2013. The audits confirmed the calculated emission levels. To fulfil the statutory obligation, the verified CO₂ emission reports were sent to the National Administrator of the Emissions Trading System (KASHUE) by March 31st 2014. Based on these reports, used emissions rights were redeemed by April 30th 2014.

All major companies of the Grupa Azoty Group plan to carry out audits in Q1 2015, to verify the 2014 CO₂ emission volumes and be able to submit the audit reports to KASHUE within the statutory deadline of March 31st 2015, and to redeem the rights in accordance with the reports by April 30th 2015.

Actual emissions are roughly similar to the planned emission volumes. In line with the adopted strategy, in 2014 the companies purchased reduction units required to settle the 2014 emissions and will have performed the planned contracts by the end of April 2015.

CERTIFICATES OF ORIGIN FOR ELECTRICITY



One of the important points of the amended Energy Law was the reintroduction, as of April 30th 2014, of the support system for cogeneration plants, effective until 2018. Property rights allocated under the previous regime have expired and can no longer be used to settle obligations under the amended Energy Law. Grupa Azoty PUŁAWY decided not to pursue its claims in connection with non-allocation of certificates for the second half of 2012.

In view of the arrangement of their operating units and installations and optimised generation of electricity at their CHP plants, neither Grupa Azoty PUŁAWY nor Grupa Azoty POLICE obtained the required volume of PES which was the indispensable condition to seek the allocation of certificates of origin for 2014.

The Parent filed an application with the President of the Energy Regulatory Office, requesting that new energy certificates for 2014, confirming generation of electricity in high-efficiency cogeneration in 2014, be issued (for the period May-November 2014, and a separate application for December 2014). On February 12th 2015, the Company submitted to the President of the Energy Regulatory Office an annual report, verified by an auditor, confirming the amount of energy produced in high-efficiency cogeneration.

The Parent expects to receive 119.6m property rights for 2014.

PROPERTY AND THIRD-PARTY LIABILITY INSURANCE



In H1 2014, the Group adopted a uniform Insurance Policy and implemented consolidated transport insurance and third-party liability insurance programmes for directors and officers of Grupa Azoty Group companies. Then a consolidated Group insurance programme was developed and adopted, covering the key areas of the Group's operations and including property insurance, loss-of-profit insurance, transport insurance and third-party liability insurance for the period from July 1st 2014 to June 30th 2015. The insurance programme was confirmed by insurance policies from PZU, Warta and Hestia (and Allianz for transport insurance), acting as co-insurers.

EVENTS AFTER THE END OF THE REPORTING PERIOD

STRATEGIC COOPERATION BETWEEN THE GRUPA AZOTY GROUP AND PKO BP S.A.



On February 6th 2015, the Group and PKO BP S.A. executed a strategic cooperation agreement whereby the bank will provide financing for the Group's and the Company's financial partners from the agricultural and food industry. In return, the Group will make its fertilizer distribution network available for sale of banking products, and both parties will launch joint marketing activities targeted at agricultural producers.

Thanks to stable financing in the form of credit facilities and factoring, Grupa Azoty Group's agricultural customers will be able to improve their liquidity and expand their businesses. The benefit for the Grupa Azoty Group will be higher sales, and the Bank will have an opportunity to attract new customers and expand in the agricultural and food sector.

The agreement between the largest Polish bank and the leader of the domestic chemical sector is a part of the government's strategy for cooperation between state-owned companies. In line with the strategy, joint investments are key to effective use of state assets and an

increase in the value of assets of enterprises supervised by the Minister of the State Treasury. At the same time, PKO BP's cooperation with the Grupa Azoty Group is to be one of the main elements of the bank's new strategy for the agricultural and food sector.