

**Draft resolutions of an Extraordinary General Meeting of BOŚ S.A.
convened for 9 December 2009**

**Resolution No. /2009
of an Extraordinary General Meeting
of Bank Ochrony Środowiska S.A.
of 9 December 2009
on appointing a Chairman of the General Meeting**

This Extraordinary General Meeting of BOŚ S.A. hereby appoints
Chairman of the General Meeting.

**Resolution No. /2009
of an Extraordinary General Meeting
of Bank Ochrony Środowiska S.A.
of 9 December 2009
on appointing a Secretary of the General Meeting**

This Extraordinary General Meeting of BOŚ S.A. hereby appoints
Secretary of the General Meeting.

**Resolution No. /2009
of an Extraordinary General Meeting
of Bank Ochrony Środowiska S.A.
of 9 December 2009
on appointing Scrutineer Committee Member**

This Extraordinary General Meeting of BOŚ S.A. hereby appoints
Member of the Scrutineer Committee.

**Resolution No. /2009
of an Extraordinary General Meeting
of Bank Ochrony Środowiska S.A.
of 9 December 2009
on approving the agenda of the Meeting**

This Extraordinary General Meeting of BOŚ S.A. hereby approves the following
agenda of the meeting:

1. Opening the meeting.
2. Electing a Presiding Officer of the Extraordinary General Meeting.
3. Declaring the Extraordinary General Meeting to have been convened validly and
as having capacity to pass binding resolutions.
4. Electing a Secretary of the meeting.
5. Electing a Scrutineer Committee.
6. Approving the agenda .

7. Presenting a draft resolution on increasing the share capital of Bank Ochrony Środowiska S.A. through the issue of series O shares and disapplication of pre-emption rights of existing Shareholders in this issue, with a statement of reasons by the Management Board for the disapplication of pre-emption rights of existing Shareholders the issue of series O shares and the proposed issue price. Adopting the resolution on increasing the share capital of Bank Ochrony Środowiska S.A. through the issue of series O shares and disapplication of pre-emption rights of existing Shareholders in this issue.
8. Presenting a draft resolution on amending § 28 of the Articles of Association of the Bank and adopting the resolution.
9. Presenting a draft resolution on authorising the Supervisory Board to approve a consolidated text of the Articles of Association of the Bank and adopting the resolution.
10. Closing the meeting.

**Resolution No. /2009
of an Extraordinary General Meeting
of Bank Ochrony Środowiska S.A.
of 9 December 2009**

on increasing the share capital of Bank Ochrony Środowiska S.A. by way of issue of series O shares and disapplication of pre-emption rights of existing Shareholders in this issue

Having heard a BOŚ S.A. Management Board report on an increase of share capital in return for non-cash contributions and with the opinion of chartered auditor appointed by District Court for the Capital City of Warsaw Commercial Department XII of the National Court Register, acting pursuant to art. 431 § 1 and § 2 point 1 and art. 433 § 2 of the Code of Commercial Companies, as well as § 10 point 9 of the Articles of Association of Bank Ochrony Środowiska S.A. with registered seat in Warsaw („the Company”, „the Bank”), this Extraordinary General Meeting of the Bank resolves as follows:

§ 1

1. To increase the share capital of the Company **by the amount of PLN 13 202 450.00** (say: thirteen million two hundred two thousand four hundred fifty złotys), i.e., from the amount of PLN 150 530 000.00 (say: one hundred fifty million five hundred thirty thousand złotys) **to the amount of PLN 163 732 450.00** (say: one hundred sixty three million seven hundred thirty two thousand four hundred fifty złotys), **by way of an issue of 1 320 245** (one million three hundred twenty thousand two hundred forty five) **new series O ordinary bearer shares with nominal value of PLN 10 each** (ten złotys) each, numbered from No. O 0000001 to No. O 1320245; and to offer all series O bearer shares to the National Fund for Environmental Protection and Water Resource Management as a private subscription with disapplication of pre-emption rights.
2. To assign the series O shares of the new issue no special rights, in particular no privilege.

3. To have the shares referred to above covered entirely with **contributions in kind** with values shown below determined based on valuations described in the Bank Management Board report released in September 2009 and reviewed by Ms. Wiesława Kępczyńska-Skiba, chartered accountant appointed by the court of registry pursuant to art. 431 in connection with art. 312 of the Code of Commercial Companies, in the form of:
- a) **10 108 453** (ten million one hundred eight thousand four hundred fifty three) series C ordinary bearer shares with nominal value of PLN 1 (one złoty) each, of the company **Centrozap S.A.** with registered seat in Katowice, entered in the register of companies of the National Court Register maintained by District Court Katowice-Wschód in Katowice Commercial Department VIII of the National Court Register under number 0000068749, valued in total to the amount of PLN 9 299 776.76 (nine million two hundred ninety nine thousand seven hundred seventy six złotych and seventy six groszys), in **return for which 127 691** (one hundred twenty seven thousand six hundred ninety one) **series O ordinary bearer shares of the Bank will be issued with nominal value of PLN 10** (ten złotych) each;
 - b) **12 255 116** (twelve million two hundred fifty five thousand one hundred sixteen) series E ordinary bearer shares with nominal value of PLN 2 (two złotych) each, of the company **Stalexport Autostrady S.A.** with registered seat in Katowice entered in the register of companies of the National Court Register maintained by District Court Katowice-Wschód in Katowice Commercial Department VIII of the National Court Register under number 0000016854, valued in total to the amount of PLN 21 201 350.68 (twenty one million two hundred one thousand three hundred fifty złotych and sixty eight groszys), in **return for which 291 107** (two hundred ninety one thousand one hundred seven) **series O ordinary bearer shares of the Bank will be issued with nominal value of PLN 10** (ten złotych) each;
 - c) **135 820** (one hundred thirty five thousand eight hundred twenty) series A ordinary bearer shares with nominal value of PLN 5 (five złotych) each of the company **Lubelski Węgiel „Bogdanka” S.A.** with registered seat in Puchaczów, entered in the register of companies of the National Court Register maintained by District Court in Lublinie XI Commercial Department of the National Court Register, under number 0000004549, valued in total to the amount of PLN 8 858 180.40 (eight million eight hundred fifty eight thousand one hundred eighty złotych and forty groszys), in **return for which 121 628** (one hundred twenty one thousand six hundred twenty eight) shares **series O ordinary bearer shares of the Bank will be issued with nominal value of PLN 10** (ten złotych) each;
 - d) **1 509 090** (one million five hundred nine thousand ninety) series T ordinary bearer shares with nominal value of PLN 10 (ten złotych) each of the company **Wodkan Przedsiębiorstwo Wodociągów i Kanalizacji S.A.** with registered seat in Ostrów Wielkopolski entered in the register of companies of the National Court Register maintained by District Court Poznań-Nowe Miasto i Wilda in Poznań Commercial Department IX of the National Court Register under number 0000039816, valued in total to the amount of PLN 23 737 985.70 (twenty three million seven hundred thirty seven thousand nine hundred eighty five złotych and seventy groszys), in return for **which 325 936** (three hundred twenty five thousand nine hundred thirty six) shares

series O ordinary bearer shares of the Bank will be issued with nominal value of PLN 10 (ten złotych) each;

- e) **115** (one hundred fifteen) **shares** with nominal value of PLN 4 503.35 (four thousand five hundred three złotych and thirty five groszys) each of the company **Kemipol Sp. z o.o.** with registered seat in Police entered in the register of companies of the National Court Register maintained by District Court Szczecin-Centrum in Szczecin Commercial Department XIII of the National Court Register under number 0000119127, valued in total to the amount of PLN 33 056 349.80 (thirty three million fifty six thousand three hundred forty nine złotych and eighty groszys), in return for which **453 883** (four hundred fifty three thousand eight hundred eighty three) **series O ordinary bearer shares of the Bank will be issued with nominal value of PLN 10** (ten złotych) each.
4. To set **the issue price of series O shares** to the amount of **PLN 72.83** (seventy two złotych and eighty three groszys) for one share.
 5. To determine that the series O share issue will participate in dividend as of 1 January 2010, i.e., it will participate in dividend beginning from any dividend the General Meeting approving the financial statements of the Company for the year 2010 may approve.
 6. To disapply, in the interest of the Company as recommended by the Bank Management Board in their written opinion presented to the General Meeting, pre-emption rights for existing Shareholders to subscribe to the series O share issue. A statement of reasons for the disapplication of pre-emption rights is presented in an appendix attached to this Resolution.
 7. To empower the Bank Management Board to submit an offer by way of a private subscription and to allot all shares of the series O issue to the National Fund for Environmental Protection and Water Resource Management.
 8. To determine that the an agreement for the subscription of the series O share issue shall be concluded by the Bank by 31 December 2009; and to authorise the Bank Management Board to set forth detailed terms of reference for the issue of series O shares and to establish a date for the subscription of the issue, as well as to take any necessary action to get shares of this issue admitted to trading at Gielda Papierów Wartościowych w Warszawie S.A. stock exchange in Warsaw, and in particular to conclude with Krajowy Depozyt Papierów Wartościowych S.A. national depository of securities a contract for the registration of series O shares with the depository of securities.

§ 2

This Resolution comes into force as of the day of adoption.

The reasons for this motion

The BOŚ S.A. Management Board opinion stating the reasons for the disapplication of pre-emption rights for existing Shareholders of BOŚ S.A. to subscribe to the series O share issue and the proposed issue price is attached as appendix to this Resolution.

Opinion of the Supervisory Board

The Supervisory Board, having considered at its meeting on 29 October 2009 of a draft resolution to increase the share capital of Bank Ochrony Środowiska S.A. by way of issue of series O shares and disapplication of pre-emption rights of existing Shareholders in this issue, expressed a positive opinion of the draft document presented to them, and recommend it to the General Meeting for approval.

Appendix to Resolution No. .../2009

of the Extraordinary General Meeting of Bank Ochrony Środowiska S.A.
of 9 December 2009

on increasing the share capital of Bank Ochrony Środowiska S.A. by way of issue of series O shares and disapplication of pre-emption rights of existing Shareholders in this issue.

Warsaw, 15.10.2009

The BOŚ S.A. Management Board opinion stating the reasons for the disapplication of pre-emption rights for existing Shareholders of BOŚ S.A. to subscribe to the series O share issue and the proposed issue price

The Supervisory Board of Bank Ochrony Środowiska S.A. („the Bank”) adopted by resolution The Bank Strategy for the years 2009–2013. The Strategy document provides for the dynamic development of the Bank in conditions of making decisive changes in its business model, by invigorating sales, raising effectiveness ratios, and designing an up-to-date offer of products and services. The Bank will stake out its priority goals for the coming years by ensuring a steady increase of its market shares as measured by the share of BOŚ S.A. in total assets, claims and liabilities of the banking sector, and a continuous growth of goodwill of the Bank for Shareholders. The goals set out in the Strategy document will be realised in particular via a strong increase of lending. An increase of own funds of BOŚ S.A. – along with the assumed enhanced scale of the Bank’s activity – will make possible observance of prudential standards, specifically concentration limits and maintaining the capital adequacy ratio at a level close to prudential standards of the Banking Supervision Authority. An increase of own funds of BOŚ S.A. – along with the assumed enhanced scale of the Bank’s activity – will make possible observance of prudential standards, specifically concentration limits and maintaining the capital adequacy ratio at a level close to prudential standards of the banking supervision authority. Implementation of the new strategy of the Bank and the resulting scale-up of lending activity make it urgently necessary for the Bank to get an injection of fresh capital. The programme envisages, among other things, an increase of the Bank’s own funds through an issue of new shares in 2009.

The Bank Management Board, resolved as it to get BOŚ S.A. increase its funds as soon as possible, recommends the increase of share capital through an issue of series „O” shares, covered with non-cash contributions, this possible solely in case of disapplication of pre-emption rights for existing Shareholders of BOŚ S.A. to subscribe to the new share issue. Since the Bank can get non-cash contributions in the form of:

- f) 10 108 453 ordinary bearer shares with nominal value of PLN 1 each of the company Centrozap S.A.;

- g) 12 255 116 ordinary bearer shares with nominal value of PLN 2 each of the company Stalexport Autostrady S.A.;
- h) 135 820 ordinary bearer shares with nominal value of PLN 5 each of the company Lubelski Węgiel „Bogdanka”;
- i) 1 509 090 ordinary bearer shares with nominal value of PLN 10 each of the company Wodkan Przedsiębiorstwo Wodociągów i Kanalizacji S.A.;
- j) 115 shares with nominal value of PLN 4 503.35 each of the company Kemipol Sp. z o.o.;

contribution by the National Fund for Environmental Protection and Water Resource Management („NFOŚiGW”) non-cash contributions in the form of minority blocks of shares of companies listed on the Warsaw stock exchange GPW and CeTO and shares of the non-public company Kemipol Sp. z o.o., is going to give the Bank a realistic chance to engage investment undertakings and an opportunity to in earnings of the above-named companies, in the form of dividend disbursement and the realisation in the future of profit from sales of the shares contributed. In cases of companies where the contributed shares constitute a significant proportion of capital the Bank will seek to benefit from extending its banking services offer to them.

Given that, a decision to disapply pre-emption rights for subscription of series O shares is to be recommended as serving the interest of Bank Ochrony Środowiska S.A.

The proposal is for the General Meeting of Bank Ochrony Środowiska S.A. to set the issue price of the Bank’s series O shares at PLN 72.83 for one share, as recommended in the BOŚ S.A. Management Board report on an increase of share capital in return for non-cash contributions and in the opinion of chartered auditor appointed by District Court for the Capital City of Warsaw Commercial Department XII of the National Court Register, in respect of fairness and clarity of the report and value of the non-cash contributions.

President of the Management Board

/-/Mariusz Klimczak

Vice-President of the Management Board

Vice-President of the Management Board

/-/Adam Grzebieluch

/-/Stanisław Kolasiński

Vice-President of the Management Board

Vice-President of the Management Board

/-/Marek Serafiński

/-/Krzysztof Telega

**Resolution No. /2009
of an Extraordinary General Meeting
of Bank Ochrony Środowiska S.A.
of 9 December 2009**

to amend § 28 of the Articles of Association of the Bank

Acting pursuant to art. 430 § 1 of the Code of Commercial Companies, as well as § 10 point 7 of the Articles of Association of the Bank, this Extraordinary General

Meeting of BOŚ S.A. resolves to approve the following amendment to the Articles of Association of the Bank:

§ 28 shall read as follows:

“The authorised share capital of the Bank amounts to 163,732,450 (one hundred sixty-three million seven hundred thirty-two thousand four hundred fifty) złotych, divided into 16,373,245 (sixteen million three hundred seventy-three thousand two hundred forty-five) shares of 10 (ten) złotych nominal value each. Shares are equal and indivisible. Each shareholder may hold more than one share.”

The reasons for the motion

The proposed amendment of § 28 of the Articles of the Bank has to be adopted following adoption today by this Extraordinary General Meeting of a resolution on increasing the share capital of BOŚ S.A.

Opinion of the Supervisory Board

The Supervisory Board, having considered at its meeting on 29 October 2009 a draft resolution to amend § 28 of the Articles of Association of the Bank, resolved to recommend it to the General Meeting for approval.

**Resolution No. /2009
of an Extraordinary General Meeting
of Bank Ochrony Środowiska S.A.
of 9 December 2009**

**on authorising the Supervisory Board to approve a consolidated text
of the Articles of Association of the Bank**

Acting pursuant to art. 430 § 5 of the Code of Commercial Companies, this Extraordinary General Meeting of BOŚ S.A. hereby authorises the Supervisory Board to approve a consolidated text of the Articles of Association of the Bank.

The reasons for this motion

Approval of a consolidated text of the Articles of the Bank will be effected on receipt of the Polish Financial Supervision Commission consent to amendments to the Articles of the Bank this Extraordinary General Meeting approved today.

Opinion of the Supervisory Board

The Supervisory Board, having considered at its meeting on 29 October 2009 a draft resolution to authorise the Supervisory Board to approve a consolidated text of the Articles of Association of the Bank, resolved to recommend it to the General Meeting for approval.



**BANK OCHRONY ŚRODOWISKA
SPÓŁKA AKCYJNA**

**BANK OCHRONY ŚRODOWISKA S.A.
MANAGEMENT BOARD REPORT
ON AN INCREASE OF SHARE CAPITAL
IN RETURN FOR
NON-CASH CONTRIBUTIONS

(„This Report“)**

Warsaw, September 2009

This Report was prepared in connection with a projected increase of share capital of Bank Ochrony Środowiska S.A. („Bank” or „BOŚ S.A.”) through an issue of series „O” shares allotted in return for non-cash contributions, pursuant to art. 311 § 1 of the Code of Commercial Companies („CCC”) in connection with art. 431 § 7 of the CCC.

1. The subject of non-cash contributions

The subject of non-cash contributions (contributions in kind) to pay for the share capital of the Bank will be as follows:

- a) 10 108 453 series C ordinary bearer shares with nominal value of PLN 1 each of the company Centrozap S.A. representing 5.79% of share capital and of the votes at the General Meeting of the company Centrozap S.A. („Centrozap S.A. Shares”),
- b) 12 255 116 series E ordinary bearer shares with nominal value of PLN 2 each of the company Stalexport Autostrady S.A. representing 4.96% share capital and of the votes at the General Meeting of the company Stalexport Autostrady S.A. („Stalexport Autostrady S.A. Shares”),
- c) 135 820 series A ordinary bearer shares with nominal value of PLN 5 each of the company Lubelski Węgiel „Bogdanka”, representing 0.4% share capital and of the votes at the General Meeting of the company Lubelski Węgiel „Bogdanka” S.A. („Bogdanka S.A. Shares”),
- d) 1 509 090 series T ordinary bearer shares with nominal value of PLN 10 each of the company Wodkan Przedsiębiorstwo Wodociągów i Kanalizacji S.A. representing 29.65% of share capital and of the votes at the General Meeting of the company Wodkan Przedsiębiorstwo Wodociągów i Kanalizacji S.A. („Wodkan S.A. Shares”),
- e) 115 shares with nominal value of PLN 4 503.35 each of the company Kemipol Sp. z o.o. representing 15.03% of share capital and of the vote at na Shareholders’ Meeting of the company Kemipol Sp. z o.o. („Kemipol Sp. z o.o. Shares”).

2. Number and type of shares issued in return for non-cash contributions

Bank Ochrony Środowiska S.A., in return for non-cash contributions in form of Centrozap S.A. shares, Stalexport Autostrady S.A. shares, Bogdanka S.A. shares, Wodkan S.A. shares, Kemipol Sp. z o.o. shares, is going to issue a total of 1 320 245 series „O” ordinary bearer shares with nominal value of PLN 10 each and of total nominal value of PLN 13 202 450, which in total carry 1 320 245 of the votes at the General Meeting of the Bank, of which for:

- a) the Centrozap S.A. shares, there will be issued 127 691 BOŚ S.A. series „O” ordinary bearer shares with nominal value of PLN 10 each,
- b) the Stalexport Autostrady S.A. shares, there will be issued 291 107 BOŚ S.A. series „O” ordinary bearer shares with nominal value of PLN 10 each,
- c) the Bogdanka S.A. shares, there will be issued 121 628 BOŚ S.A. series „O” ordinary bearer shares with nominal value of PLN 10 each,
- d) the Wodkan S.A. shares, there will be issued 325 936 BOŚ S.A. series „O” ordinary bearer shares with nominal value of PLN 10 each,
- e) the Kemipol Sp. z o.o. shares, there will be issued 453 883 BOŚ S.A. series „O” ordinary bearer shares with nominal value of PLN 10 each.

3. Issue price

The proposal is for the General Meeting of Bank Ochrony Środowiska S.A. to set the issue price of BOŚ S.A. series „O” shares (BOŚ S.A. series „O” shares, series „O” shares) at a level close to the weighted average of BOŚ S.A. share prices on the Warsaw Stock Exchange (Giełda Papierów Valuesowych w Warszawie S.A., „GPW”), with the volume traded as determined pursuant to provisions of art. 79 subpara. 1 of the Public Offering Act of 29 July 2005 on the minimum share price offered in the tender offer used as weight. Calculations were based on similar periods as for the determination of the Centrozap S.A. and Stalexport Autostrady S.A. blocks of shares, i.e., a 6 month period – from 5 January 2009 to 1 July 2009, and a 3 month period – from 2 April 2009 to 1 July 2009. The calculated weighted average was found to be PLN 71.88 for the 6 month period and PLN 72.83 for the 3 month period.

The proposal eventually is for the General Meeting of Bank Ochrony Środowiska S.A. to set the issue price of the series „O” shares at a level of PLN 72.83 („Issue price”) for each share.

4. The entity making the non-cash contributions

The above-described non-cash contributions in connection with the increase of capital of Bank Ochrony Środowiska S.A. through an issue of series „O” shares to bearer will be made entirely by the National Fund for Environmental Protection and Water Resource Management („NFOŚiGW”).

5. The method applied to assess the value of the non-cash contributions

Valuation of non-cash contributions was prepared by Grupa Konsultingowa Jagiełło, Wrębiak i Wspólnicy Sp. z o.o., financial adviser to Bank Ochrony Środowiska S.A. („Adviser”).

To provide for the different characteristics of the shares which are the subject of non-cash contribution, Adviser classed them into two groups so the valuation of the blocks of shares contributed could be performed using different methods.

The shares were distinguished based on the following criteria:

- a) the proportion of the company capital the block contributed represents (up to 10%, 10% and above),
- b) transparent price behaviour of the shares under valuation on the active regulated market.

The first group of non-cash contributions under valuation included:

- a) the Centrozap S.A. shares (5.79% of share capital, GPW listed company),
- b) the Stalexport Autostrady S.A. shares (4.96% of share capital, GPW listed company),
- c) the Bogdanka S.A. shares (0.4% of share capital, GPW listed company).

The other group of non-cash contributions under valuation included:

- a) the Wodkan S.A. shares (29.65% of share capital, company listed on the MTS-CeTO S.A. market („CeTO”),
- b) the Kemipol Sp. z o.o. shares (15.03% of share capital, company not listed on the regulated market).

Wodkan S.A. was classed with group two, even though the shares were listed on the CeTO, because the volume of trading of the shares throughout the first half-year 2009 accounted for a mere 0.02% of their number, which shows the CeTO price of the Wodkan shares cannot reasonably be a measure of the market value of the company as a whole because the CeTO market is not really the active market for the Wodkan S.A. shares.

Valuation of the first group of shares was performed based on the market approach (at market listings level) and the comparative approach.

In the market approach, the valuation of the shares was at the level of the higher of two values:

- a) average share price over a period of 6 months, i.e., from 5 January 2009 to 1 July 2009, calculated as a weighted average, with trading volume applied as weight,
- b) average share price over a period of 3 months, i.e., from 2 April 2009 to 1 July 2009, calculated as a weighted average, with trading volume applied as weight.

The Bogdanka S.A. shares were not listed in the above-shown periods, so the first day listing (22 July 2009) price was taken for the market-based valuation of these shares.

For a comparative valuation of the first group of companies four multiples were applied: EV/S – enterprise value (total enterprise value of a company) to the company's sales, EV/EBITDA – enterprise value to operating profit increased by depreciation, P/E – a company's market share price compared to its net profit, P/BV – a company's market share price compared to its book value, calculated from a sample of comparable transactions identified in a ZEPHYR data base maintained by Bureau van Dijk Electronic Publishing (a leading European suppliers of electronic business data) which collects information on international and domestic mergers and acquisitions. The transactions were picked to the sample based on the following criteria:

- a) business profiles of the companies which effected the transactions – companies operating in business similar in character to those under valuation;
- b) transaction completion dates – after 1 January 2008;
- c) size of block – transactions involving blocks of shares not exceeding 10%.

Based on the partial valuation results Adviser recommended the value shares of Stalexport Autostrady S.A. and Bogdanka S.A. be determined pursuant to the formula:

$$WSZ = 80\% * NG + 20\% * P$$

where:

- WSZ* – value of 100% of the company's capital recommended based on the hybrid method,
NG – value of 100% of the company's capital determined based on market listings,
P – value of 100% of the company's capital determined using the comparative method.

The 4 times greater weight assigned to market based valuation came in result of the obvious observation that transactions actually effected on the active market on which the assets under valuation, in that case the shares, are the subject of trading, are the best measure of market value.

As for the Centrozap S.A. shares, Adviser did not adjust the valuation based on market listings by a comparative valuation result because of the limited information merit of such comparative valuation (because of the negative profit value and because its EBITDA was prepared solely based on the EV/S and P/BV multiples, which are less important from the standpoint of investors).

In total the first group of blocks of shares valuation produced the following results:

- a) for the Centrozap S.A. shares – PLN 9 299 776.76, with one share valued PLN 0.92,
- b) for the Shares Stalexport Autostrady S.A. shares – PLN 21 201 350.68, with one share valued PLN 1.73,
- c) for the Shares Bogdanka S.A. shares – PLN 8 858 180.40, with one share valued PLN 65.22.

Valuation of the blocks of shares and company shares in group two was based on the earnings approach (the discounted cash flow method) and the comparative method were used.

The earnings based valuation was performed based on medium-term plans of the companies under valuation developed according to historical and planning source documentation the NFOSiGW and the company supplied Adviser with. In both valuations Adviser also held interviews and consultation sessions with the management and financial services of the companies submitted to valuation. Details of the submitted plans are contained in valuation reports that were (or will be) submitted to the court expert review.

Comparative valuation of the companies in group two was prepared in the same method as of companies in the first group.

On the basis of partial valuation results Adviser recommended that valuation of Wodkan S.A. and Kemipol Sp. z o.o. be performed using a weighted average in which earnings based valuation has twice the weight of the comparative valuation. The approach proposed is close to what is known in the literature of the subject and used in practice as the „Swiss” approach, which jest a mixed valuation method compiling divergent results of a company’s valuation obtained when using the earnings-based and the equity methods. The approach adopted in this valuation is described by the formula:

$$WSZ = 2/3*D + 1/3*P$$

where:

- WSZ* - value of the company determined using the hybrid method,
D - value of the company determined using the discounted cash flow method,
P - value of the company determined using the comparative method.

In total the valuation of the blocks of shares and company shares in group two produced the following results:

- for the Shares Wodkan S.A. shares – PLN 23 737 985.70, with one share valued PLN 15.73,
- for the Shares Kemipol Sp. z o.o. shares – PLN 33 056 349.80, with one share valued PLN 287 446.52.

6. Statement of reasons for taking non-cash contributions to pay for shares

The Supervisory Board of Bank Ochrony Środowiska S.A. signed off in the former half of 2009 a new Strategy of the Bank for the years 2009–2013. The document adopted provides for dynamic development of the Bank in conditions of making decisive changes in its business model, by invigorating sales, raising effectiveness, and developing an up-to-date offer of products and services. The Bank will stake out its priority goals for the coming years a steady increase of its share of the market as measured by the share of BOŚ S.A. in total assets, claims and liabilities of the banking sector, and a continuous growth of goodwill of the Bank for shareholders. Attainment of the goals set out in the Strategy is connected with the dynamic development of lending. The Bank is going to scale up of its activity substantially in the coming years, and in particular lending is going to grow. An increase of own funds of BOŚ S.A. – along with the assumed enhanced scale of the Bank’s activity – will make possible observance of prudential standards, specifically concentration limits and maintaining the capital adequacy ratio at a level close to prudential standards of the banking supervision authority. Implementation of the new strategy of the Bank and the resulting scale-up of lending activity make it urgently necessary for the Bank to get an injection of fresh capital. The programme provides, among other things, for an increase of the Bank’s own funds through an issue of new shares in 2009. Non-cash contributions in a form of minority blocks of shares of companies listed on the GPW and the CeTO and shares of a non-public company, Kemipol Sp. z o.o., will enable the

Bank to finance investment undertakings and to realize its share in earnings of the companies in a form of dividend disbursement and the implementation in the future of profit from sales of the shares contributed. In cases of companies where contributed shares constitute a significant proportion of capital the Bank will seek to benefit from extending its banking services offer to such companies.

Valuation of the above-mentioned non-cash contributions performed by Grupa Konsultingowa Jagiełło, Wrebiak and Wspólnicy Sp. z o.o., a financial adviser to Bank Ochrony Środowiska S.A., amounted to some PLN 96 153 000. The issue price of the series „O” shares was set at a level above the nominal price. The Bank will get its share capital increased by PLN 13 202 450. The difference between the issue price of BOŚ S.A. series „O” shares and their nominal price will be transferred to the surplus fund of the Bank, pursuant to art. 396 §2 of the Code of Commercial Companies. That way the value of non-cash contributions corresponds at least to the nominal value of the BOŚ S.A. series „O” shares. The Bank Management Board, resolved as it to get BOŚ S.A. increase its funds as soon as possible, recommends the increase of share capital through an issue of series „O” shares, covered with non-cash contributions.

7. Summing up and recommendation

Economic and financial considerations, and compliance with the Strategy of Bank Ochrony Środowiska S.A. for the years 2009–2013, all show it is reasonable to cover the series „O” shares issue with non-cash contributions. In view thereof, the Management Board of Bank Ochrony Środowiska S.A. recommends to Shareholders of BOŚ S.A. adoption of a resolution to increase the Bank share capital through an issue of series „O” shares allotted in return for non-cash contributions on the above-specified terms and conditions.

President of the Management Board

/-/Mariusz Klimczak

Vice-President of the Management
Board

Vice-President of the Management
Board

/-/Adam Grzebieluch

Vice-President of the Management
Board

/-/Stanisław Kolasiński

Vice-President of the Management
Board

/-/Marek Serafiński

/-/Krzysztof Telega

Warsaw 3 November 2009

Wiesława Kępczyńska-Skiba
Ul. K. Pułaskiego 9
05-091 Ząbki
Registered Auditor
No. 7324

District Court for the Capital City of Warsaw

Ref.No.: WA XII Ns-rej KRS 27096/09/833

INDEPENDENT REGISTERED AUDITOR'S OPINION
form an audit of the Management Board Report
of Bank Ochrony Środowiska S.A.

- I. This report was prepared pursuant to a 29 September 2009 decision of the District Court for the Capital City of Warsaw in Warsaw to appoint an independent registered auditor in the person of Wiesława Kępczyńska-Skiba entered in the list of registered auditors under number 7324 issued for the purpose of auditing the relevant Management Board report of Bank Ochrony Środowiska S.A. to establish the accuracy and fairness of the statements presented and to determine that the value of the non-cash contribution to be submitted represents not less than the nominal value of shares taken up for it.

The Management Board Report provides data in respect of:

1. the subject of non-cash contributions,
2. the number and type of shares delivered in exchange for non-cash contributions,
3. the issue price,
4. the entity to make the non-cash contributions,
5. the methods applied in valuation of non-cash contributions,
6. the reasons for covering the shares with non-cash contributions.

- II. The Management Board of Bank Ochrony Środowiska S.A. is responsible for the preparation of the report.

My responsibility, based on my audit, was to express an opinion on the report.

This opinion is prepared for use solely by the District Court for the Capital City of Warsaw in Warsaw Commercial Department XII of the National Court Register and by Bank Ochrony Środowiska S.A. and shall be for no other use.

This Registered Auditor shall be liable to any third person for any contents of this opinion.

I conducted the audit in accordance with:

- provisions of the Code of Commercial Companies Act of 15 September 2000 (Journal of laws Dz.U. No. 94 item 1037 as amended), hereafter the CCC,
- professional standards,
- ISAE 3000 – International Standard on Assurance Engagements.

I planned and performed the audit to obtain reasonable assurance that the Management Board report is free of material omissions and/or misstatement and that the evidence obtained is sufficient and to provide an appropriate basis for our opinion.

In particular, the audit involved the obtaining of assurance that:

- the Management Board report was prepared in accordance with art. 311 of the CCC,
- the methods applied in preparing the report were appropriate for the valuation of shares or interests in view of their specific features and market conditions and that the values obtained resulted from a consistent method applied.

The audit evidence I have obtained is sufficient and appropriate grounds to provide a reasonable opinion.

III. In my opinion, the audited report which the Management Board prepared in connection with a projected increase of share capital of Bank Ochrony Środowiska S.A. through the issue of shares of series "O" in return for non-cash contributions in accordance with art. 311 § 1 of the CCC in connection with art. 431 § 7 of the CCC,

is in compliance with the above regulations and presents fairly and accurately the required information

and

the value of non-cash contribution to be paid up does represent a fair value in excess of the nominal value of shares to be taken up in return for it.

Statement of reasons:

I. Preliminary facts found

Pursuant to a 29 September 2009 decision of the District Court for the Capital City of Warsaw decision Ref.No.: WA XII Ns-rej KRS 27096/09/833 the Court appointed an independent registered auditor in the person of Wiesława Kępczyńska-Skiba entered in the list of registered auditors under number 7324 to audit the Management Board report of Bank Ochrony Środowiska S.A. to establish the accuracy and fairness of the statements presented and to determine that the value of the non-cash contribution to be paid up represents fair value and represents not less than the nominal value of shares taken up for it.

II. General facts found

1. The subject of non-cash contributions

The subject of non-cash contributions to cover the increase of share capital of the company BOŚ S.A. will be shares and interests of the following Companies:

	Centrozap SA	Stalexport Autostrady SA	Lubelski Węgiel Bogdanka SA	Wodkan Przedsiębiorstw o Wodociągów i Kanalizacji SA	Kemipol Sp. z o.o.	Total
<i>subject of non-cash contribution</i>						
number of shares	10 108 453.00	12 255 116.00	135 820.00	1 509 090.00	x	x
number of interests	x	x	x	x	115.00	
nominal value of one share/interest	1.00	2.00	5.00	10.00	4 503.35	x
% proportion of share capital	5.79%	4.96%	0.40%	29.65%	15.03%	x
% proportion of vote at AGM	5.79%	4.96%	0.40%	29.65%	15.03%	x
nominal value of shares/interests contributed	10 108 453.00	24 510 232.00	679 100.00	15 090 900.00	517 885.25	x
<i>valuation of shares/interests contributed</i>						
valuation	9 299 776.76	21 201 350.68	8 858 180.40	23 737 985.70	33 056 349.8	96 153 643.3

					0	4
<i>bearer shares of series "O" to be allotted in return for non-cash contribution</i>						
number of shares issued	127 691.00	291 107.00	121 628.00	325 936.00	453 883.00	1 320 245.00
nominal value of one share	10.00	10.00	10.00	10.00	10.00	x
total nominal value	1 276 910.00	2 911 070.00	1 216 280.00	3 259 360.00	4 538 830.00	13 202 450.00

2. Entities making non-cash contributions

The increase of share capital will be effected through the issue of bearer shares of series "O". The issued shares will be taken up in their entirety by the National Fund for Environmental Protection and Water Resource Management [NFOŚiGW] in return for a non-cash contribution in the form of shares and interests in the above-listed companies.

3. Methods applied in valuation of the non-cash contribution

The financial adviser engaged to appraise the above-shown companies classed them into two groups of specific features and applied different methods to perform the valuation of the contributed share/interest blocs.

Valuation of shares of Companies was performed by a mixed method which comprised, depending on the entity submitted to valuation, a market value and a comparative method or an income (discounted cash flows) method and a comparative method.

The market value method determines the market value of a company.

Fair market value is the price, expressed in money or a suitable cash equivalent, a willing buyer could reasonably expect and a willing seller could accept if the property was put out for sale in the open market and assuming that both parties have reasonable knowledge of relevant facts related to the transaction, and that the neither party acts under any compulsion.¹ In most cases, market value is, quite simply, the price predominant on an active market composed of a large number of well-informed people.

The market value in this case was taken from stock market quotations taking into account:

- a) average price of the share in a period of 6 months, i.e., from 5 January 2009 to 1 July 2009, calculated as a weighted average, the weight being the trading volume;
- b) average price of the share in a period of 3 months, i.e., from 2 April 2009 to 1 July 2009, calculated as a weighted average, the weight being the trading volume.

The comparative method derives the value of the appraised object from relevant comparisons of similar transactions concluded on the market. Comparative valuation with the application of multiplier techniques is appraisal by analogy. This method determines the value of a business on the basis of previous similar buy-sell transactions.

The comparative method in this case was based on four chosen market multipliers: EV/S – enterprise value (total enterprise value) to earnings from sales; EV/EBITDA – enterprise value to operating profit plus depreciation and amortisation; P/E – market price of a share to net earnings; P/BV – market price of a share to its book value – which were calculated from a selection of comparable transactions identified in ZEPHYR, a data base maintained by the Bureau van Dijk Electronic Publishing.

¹ R.C. Miles, *op.cit.*, p. 19. A similar description of this category is provided by the Internal Revenue Service, the U.S. equivalent of the Tax Office (IRS Revenue Ruling 59-60, section 2.02).

The income method discounts certain cash flows to valuation date.

The income or DCF method estimates future cash flows and discounts them to give their present values.

The model used in valuation is composed of several modules:

- a module to forecast comprehensive income,
- a module to forecast balance sheet structure in the forecast period,
- a module to forecast free cash flows in the Company and to investors,
- the cost of capital – discount rate for free cash flows.

III. Detailed findings

I reviewed the appraisal of value of the shares and interests contributed, based on the Management Board report and documents I got hold of and based on information related to the Companies appraised.

The financial adviser engaged to appraise the above-shown companies classed them into two groups of specific features and adopted different approaches to the valuation of the contributed share/interest blocs. His distinction of groups was based on two criteria:

- a) the proportion of the contributed share/interest bloc in the Company's share capital (up to 10%, 10% and above),
- b) transparent price development of the shares under valuation on an active regulated market.

Shares of one group of Companies were appraised by a mixed method which comprising the market value method (on stock market quotations) and the comparative method.

This method was used in appraising the companies: Centrozap SA, and Kemipol SA.

The other group were appraised by a mixed method which comprising the income (discounted cash flows) method and the comparative method.

This method was used in appraising the companies: Wodkan SA, Stalexport Autostrady SA, and Bogdanka Sp. z o.o.

Both the criteria of classification of the non-cash contributions with one group or another and the methods applied to appraise them were reasonable choices, as can be seen from the literature of the subject and known best practice.

Review of valuation of the particular share-interest blocs being the subject of contribution in kind

1. The company Centrozap SA

The choice of method and its relevance in this case:

A mixed method was chosen, to appraise the bloc of shares for its market value and to prepare its valuation in a comparative approach.

Centrozap SA is a listed company so its market quotation is to be seen as closest to its real value. However, to verify the results of appraisal and to avoid misstatement the comparative approach was applied as well.

A common approach among experts and in the literature is that valuation of listed companies should be based on actual quotations, and so that the market method should be preferred. However, for prudential reasons it is advisable to compare such results obtained in that way with results obtained in other approaches.

The valuation method applied:

The market valuation was performed using a price algorithm showing at what price shares should be acquired in case a tender offer to acquire shares is announced.

Minimum price per share proposed in a tender offer is determined as follows:

1. The price per share proposed in a tender offer referred to in art. 72–74:²
 - 1) if any shares in the company are traded on a regulated market, may not be lower than:
 - a) average market price from the six months preceding the announcement of the tender offer in which the shares were traded on the main market, or
 - b) average market price from a shorter period, if the shares were traded on the main market for a period shorter than specified in a) above;
 - 2) if the price cannot be determined in accordance with item 1 above and in the case of a company in relation to which arrangement or bankruptcy proceedings have been instituted, the price may not be lower than the fair value of the shares.
2. Nor may the price per share proposed in tender offers referred to in art. 72–74 be lower than:
 - 1) the highest price paid for the shares proposed in the tender offer by the entity obligated to announce the tender offer, its subsidiary or parent entity, or an entity with which it concluded the agreement referred to in art. 87.1.5, within 12 months preceding the announcement of the tender offer, or
 - 2) the highest value of assets or rights which the entity obligated to announce the tender offer or entities referred to in point 1) above delivered in exchange for the shares tendered in the tender offer, within 12 months preceding the announcement of the tender offer.
3. Nor may the price per share proposed in tender offers referred to in art. 74 be lower than the average market price from three months in which such shares were traded on a regulated market preceding the announcement of the tender offer.

The shares were appraised at the higher of the following two values:

- a) average price of the share in a period of 6 months, i.e., from 5 January 2009 to 1 July 2009, calculated as a weighted average, the weight being the trading volume

² The Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies Act of 29 July 2005 (Journal of laws Dz.U. no. 184 item 1539 as amended).

b) average price of the share in a period of 3 months, i.e., from 2 April 2009 to 1 July 2009, calculated as a weighted average, the weight being the trading volume.

A 5.79% bloc of shares of the Company calculated as a weighted average price per share in a hypothetical tender offer would have the following value:

- for weighted average shares prices for a period of 3 months PLN 9 299 776.76
- for weighted average shares prices for a period of 6 months PLN 8 288 931.46

For further analysis, the value PLN 9 299 776.76 (with one share worth PLN 0.92) was adopted as meeting the requirements of the above-indicated regulation better.

Valuation by the comparative method was based on a sample of transactions for which the enterprise value of companies similar in profile to Centrozap was determined plus on a selection of ratios. Altogether 27 transactions were picked from the ZEPHYR data base for the comparison. Four multipliers were chosen for the valuation:

- EV/S enterprise value (total enterprise value) to earnings from sales
- EV/EBITDA enterprise value to operating profit plus depreciation and amortisation
- P/E equity value of company to net earnings
- P/BV equity value of company to book value

Because Centrozap posted an adverse operating profit as well as a net loss in the period of 12 months preceding the valuation date, the effectiveness multipliers were dropped and only the EV/S and the P/E were applied.

In the final count, application of these two multipliers yielded the following results: PLN 50 393 600 and PLN 22 584 500, respectively, to an average of PLN 36 489 100 as the value of the company Centrozap SA (PLN 0.21 per share).

To determine a recommended value of the bloc of shares of Centrozap SA, the weight “1” was taken for the market value method and “0” for the comparative method. This is a reasonable assumption considering that:

1. biggest weights should be allocated to values that are verified by market,
2. comparative valuation is less reliable, and so carries lesser weight, because only two multipliers could be used and moreover that the appraisal performed using the DCF method – admittedly based on no source data – did yield a diametrically different valuation.

In view of this, the recommended value of the bloc of shares of Centrozap SA held by the NFOŚiGW is:

PLN 9 299 776.76 (one share worth PLN 0.92)

In conclusion, I am satisfied that both the method used and the methodology applied and the data used in the valuation were relevant, and so the result of the valuation is correct.

2. The company Stalexport Autostrady SA

The choice of method and its relevance in this case:

A mixed method was chosen, to appraise the bloc of shares for its market value and to prepare its valuation in a comparative approach.

Stalexport Autostrady SA is a listed company so its market quotation is to be seen as closest to its real value. However, to verify the results of appraisal and to avoid misstatement the comparative approach was applied as well.

A common approach among experts and in the literature is that valuation of listed companies should be based on actual quotations, and so that the market method should be preferred. However, for prudential reasons it is advisable to compare such results obtained in that way with results obtained in other approaches.

The valuation method applied:

The market valuation was performed using a price algorithm showing at what price shares should be acquired in case a tender offer to acquire shares is announced.

Minimum price per share proposed in a tender offer is determined as follows:

1. The price per share proposed in a tender offer referred to in art. 72–74:³
 - 1) if any shares in the company are traded on a regulated market, may not be lower than:
 - a) average market price from the six months preceding the announcement of the tender offer in which the shares were traded on the main market, or
 - b) average market price from a shorter period, if the shares were traded on the main market for a period shorter than specified in a) above;
 - 2) if the price cannot be determined in accordance with item 1 above and in the case of a company in relation to which arrangement or bankruptcy proceedings have been instituted, the price may not be lower than the fair value of the shares.
2. Nor may the price per share proposed in tender offers referred to in art. 72–74 be lower than:
 - 1) the highest price paid for the shares proposed in the tender offer by the entity obligated to announce the tender offer, its subsidiary or parent entity, or an entity with which it concluded the agreement referred to in art. 87.1.5, within 12 months preceding the announcement of the tender offer, or
 - 2) the highest value of assets or rights which the entity obligated to announce the tender offer or entities referred to in point 1) above delivered in exchange for the shares tendered in the tender offer, within 12 months preceding the announcement of the tender offer.
3. Nor may the price per share proposed in tender offers referred to in art. 74 be lower than the average market price from three months in which such shares were traded on a regulated market preceding the announcement of the tender offer.

The shares were appraised at the higher of the following two values:

- a) average price of the share in a period of 6 months, i.e., from 5 January 2009 to 1 July 2009, calculated as a weighted average, the weight being the trading volume
- b) average price of the share in a period of 3 months, i.e., from 2 April 2009 to 1 July 2009, calculated as a weighted average, the weight being the trading volume.

³ The Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies Act of 29 July 2005 (Journal of laws Dz.U. no. 184 item 1539 as amended).

A 4.96% bloc of shares of the Company calculated as a weighted average price per share in a hypothetical tender offer would have the following value:

- for weighted average shares prices for a period of 3 months PLN 19 485 635.44
- for weighted average shares prices for a period of 6 months PLN 20 098 390.24

For further analysis, the value **PLN 20 098 390.24** (with one share worth PLN 1.64) was adopted as meeting the requirements of the above-indicated regulations.

Valuation by the comparative method was based on a sample of transactions for which the enterprise value of companies similar in profile to Stalexport Autostrady SA was determined plus on a selection of ratios. Altogether 27 transactions were picked from the ZEPHYR data base for the comparison. Four multipliers were chosen for the valuation:

- EV/S enterprise value (total enterprise value) to earnings from sales
- EV/EBITDA enterprise value to operating profit plus depreciation and amortisation
- P/E equity value of company to net earnings
- P/BV equity value of company to book value

As Stalexport Autostrady SA had not released its financials for the first half 2009 to the valuation date, the valuation was based on financial figures reported for the period of 1 April 2008 to 31 March 2009.

In the final count, application of these four multipliers yielded the following results: PLN 444 392 000, PLN 942 902 500, PLN 233 356 800, and PLN 447 778 300, respectively, to an average of PLN 517 107 400 as the value of the company Stalexport Autostrady SA (PLN 2.09 per share).

To determine a recommended value of the bloc of shares of Stalexport Autostrady SA, the weight "0.8" was taken for the market value method and "0.2" for the comparative method. This is a reasonable assumption as values that are verified by market should be allocated bigger weights.

In view of this, the recommended value of the bloc of shares of Centrozap SA held by the NFOŚiGW is:

PLN 21 201 350.68 (one share worth PLN 1.73)

In conclusion, I am satisfied that both the method used and the methodology applied and the data used in the valuation were relevant, and so the result of the valuation is correct.

3. The company Lubelski Węgiel „Bogdanka” SA

The choice of method and its relevance in this case:

A mixed method was chosen, to appraise the bloc of shares for its market value and to prepare its valuation in a comparative approach.

Lubelski Węgiel „Bogdanka” SA is a listed company so its market quotation is to be seen as closest to its real value. However, to verify the results of appraisal and to avoid misstatement the comparative approach was applied as well.

A common approach among experts and in the literature is that valuation of listed companies should be based on actual quotations, and so that the market method should be preferred. However, for prudential reasons it is advisable to compare such results obtained in that way with results obtained in other approaches.

The valuation method applied:

The market valuation was performed using a price algorithm showing at what price shares should be acquired in case a tender offer to acquire shares is announced.

Minimum price per share proposed in a tender offer is determined as follows:

1. The price per share proposed in a tender offer referred to in art. 72–74:⁴
 - 1) if any shares in the company are traded on a regulated market, may not be lower than:
 - a) average market price from the six months preceding the announcement of the tender offer in which the shares were traded on the main market, or
 - b) average market price from a shorter period, if the shares were traded on the main market for a period shorter than specified in a) above;
 - 2) if the price cannot be determined in accordance with item 1 above and in the case of a company in relation to which arrangement or bankruptcy proceedings have been instituted, the price may not be lower than the fair value of the shares.
2. Nor may the price per share proposed in tender offers referred to in art. 72–74 be lower than:
 - 1) the highest price paid for the shares proposed in the tender offer by the entity obligated to announce the tender offer, its subsidiary or parent entity, or an entity with which it concluded the agreement referred to in art. 87.1.5, within 12 months preceding the announcement of the tender offer, or
 - 2) the highest value of assets or rights which the entity obligated to announce the tender offer or entities referred to in point 1) above delivered in exchange for the shares tendered in the tender offer, within 12 months preceding the announcement of the tender offer.
3. Nor may the price per share proposed in tender offers referred to in art. 74 be lower than the average market price from three months in which such shares were traded on a regulated market preceding the announcement of the tender offer.

Under the above-quoted regulations, minimum price should be set at the level of average price from a shorter period, where that is not possible for the periods indicated. As shares of the Company were not listed on the stock exchange to the valuation date at 1 July 2009, share option quotations of Lubelski Węgiel „Bogdanka” SA were used for the valuation. Obviously share options do, and should, differ in value from actual shares. Still, that is an objective market verified value which may be used as reference value and verifier of the value adopted.

The only objective value that could be relied upon was the price of shares of the first day of trading (22 July 2009). That admittedly was past the valuation date but the intervening time span was short, so such a methodological approach can be recognised as the only one verification of value by the market, and so the only one objective valuation.

A 0.40% bloc of shares of the Company from the first quotation, i.e., PLN 61.10 per share, thus had a value of **PLN 8 298 602**.

Valuation by the comparative method was based on a sample of transactions for which the enterprise value of companies similar in profile to Lubelski Węgiel „Bogdanka” SA was determined plus on a selection of ratios. Altogether 168 transactions were picked from the ZEPHYR data base for the comparison.

The following four multipliers were chosen for the valuation:

- EV/S enterprise value (total enterprise value) to earnings from sales
- EV/EBITDA enterprise value to operating profit plus depreciation and amortisation

⁴ The Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies Act of 29 July 2005 (Journal of laws Dz.U. no. 184 item 1539 as amended).

- P/E equity value of company to net earnings
- P/BV equity value of company to book value

In the final count, application of these four multipliers yielded the following results: PLN 444 392 000, PLN 942 902 500, PLN 233 356 800, and PLN 447 778 300, respectively, to an average of PLN 517 107 400 as the value of the company Lubelski Węgiel „Bogdanka” SA (PLN 2.09 per share).

To determine a recommended value of the bloc of shares of Lubelski Węgiel „Bogdanka” SA, the weight “0.8” was taken for the market value method and “0.2” for the comparative approach. This is a reasonable assumption as values that are verified by market should be allocated bigger weights.

In view of this, the recommended value of the bloc of shares of Lubelski Węgiel „Bogdanka” SA held by the NFOŚiGW is:

PLN 8 858 180.40 (one share worth PLN 65.22)

In conclusion, I am satisfied that both the method used and the methodology applied and the data used in the valuation were relevant, and so the result of the valuation is correct.

4. The company Wodkan Przedsiębiorstwo Wodociągów i Kanalizacji SA

The choice of method and its relevance in this case:

A mixed method was chosen, to appraise the bloc of shares in the comprehensive income method and in a comparative approach.

The market value method was not applied in this case even though the company is listed on the [over-the-counter market] CeTO. Because CeTO trading involved just 0.02 % of the total stock of the Company shares in the former half of 2009, there is no talk of any active market in that case or that any valuation by such market can be taken as an objective valuation.

The valuation method applied:

The income-based valuation was performed in the DCF approach.

Valuation of a company using the discounted cash flows (DCF) approach is based on the assumption that the value of any business entity depends on financial gains such entity can obtain in the future. Enterprise value in the DCF methodology is equal to the sum of anticipated cash surpluses updated to the valuation date and the residual value of the business. That value must be increased by the market value of non-operating assets (i.e., assets that do not generate any of the financial surpluses on which DCF valuation is based). Thus defined, enterprise value is subsequently reduced by non-operating liabilities, in particular interest-bearing debt. The outcome of calculations according to this algorithm is the market value of equity of the business entity. Notwithstanding its limitations (say, the dependence of valuation results on subjective forecasts) it is fair to say that the following factors speak in favour of choosing the DCF method:

- the company posts substantial finance surpluses,
- the company reports high profitability rates,
- the Company uses its own assets in financing current operations.

The valuation was performed on data available at the time, i.e., to the date of 31 March 2009.

The value of Wodkan SA determined by the DCF method was found to be PLN 79 446 900, which shows the value of the bloc of shares held by the NFOŚiGW is PLN 23 556 010.

Valuation by the comparative method was based on a sample of transactions for which the market value of companies similar in profile to Wodkan SA was determined. The transaction chosen for the sample were all concluded after 1 January 2008, with the bloc of shares equal to

or less than 49%. 19 transactions were picked from the ZEPHYR data base for the comparison. Four multipliers were chosen for the valuation:

- EV/S enterprise value (total enterprise value) to earnings from sales
- EV/EBITDA enterprise value to operating profit plus depreciation and amortisation
- P/E equity value of company to net earnings
- P/BV equity value of company to book value

In the final count, application of these four multipliers yielded the following results: PLN 32 283 900, PLN 59 609 100, PLN 8 561 500, and PLN 224 427 200, respectively, to an average of PLN 81 220 400 as the value of the company Wodkan SA (PLN 2.09 per share).

To determine a recommended value of the bloc of shares of Wodkan SA, the weight of 2/3 was taken for the DCF based valuation and that of 1/3 for the comparative approach. This is a reasonable assumption as values that are verified by market should be allocated bigger weights.

In view of this, the recommended value of the bloc of shares of Wodkan SA held by the NFOŚiGW is:

PLN 23 737 985.70 (one share worth PLN 15.73)

In conclusion, I am satisfied that both the method used and the methodology applied and the data used in the valuation were relevant, and so the result of the valuation is correct.

5. The company Kemipol Sp. z o.o.

The choice of method and its relevance in this case:

A mixed method was chosen to perform the valuation of the bloc of interests in the comprehensive income approach and in a comparative approach.

The choice of method was based on the assumption that earnings possible to generate is the best indicator to potential investors of a business entity's real value in cases of efficiently working companies.

The market value method was no choice in this case as no listings for the Company on an open market are available.

The valuation method applied:

The income-based valuation was performed in the DCF approach.

Valuation of a company using the discounted cash flows (DCF) approach is based on the assumption that the value of any business entity depends on financial gains such entity can obtain in the future. Enterprise value in the DCF methodology is equal to the sum of anticipated cash surpluses updated to the valuation date and the residual value of the business. That value must be increased by the market value of non-operating assets (i.e., assets that do not generate any of the financial surpluses on which DCF valuation is based). Thus defined, enterprise value is subsequently reduced by non-operating liabilities, in particular interest-bearing debt. The outcome of calculations according to this algorithm is the market value of equity of the business entity. Notwithstanding its limitations (say, the dependence of valuation results on subjective forecasts) it is fair to say that the following factors speak in favour of choosing the DCF method:

- the company posts substantial finance surpluses,
- the company reports high profitability rates,
- the company uses its own assets in financing current operations.

The valuation was performed on data available at the time, i.e., to the date of 31 March 2009.

The value of Kemipol_determined by the DCF method was found to be PLN 268 255 000, which shows the value of the bloc of interests held by the NFOŚiGW is PLN 40 318 730.

Valuation by the comparative method was based on a sample of transactions for which the market value of companies similar in profile to Kemipol_was determined. The transaction chosen for the sample were all concluded after 1 January 2008, with the bloc of shares equal to or less than 49%. 13 transactions were picked from the ZEPHYR data base for the comparison.

Four multipliers were chosen for the valuation:

- EV/S enterprise value (total enterprise value) to earnings from sales
- EV/EBITDA enterprise value to operating profit plus depreciation and amortisation
- P/E equity value of company to net earnings
- P/BV equity value of company to book value

In the final count, application of these four multipliers yielded the following results: PLN 93 887 000, PLN 141 512 500, PLN 169 831 600, and PLN 87 489 500, respectively, to an average of PLN 123 180 200 as the value of the company Kemipol_.

To determine a recommended value of the bloc of interests of Kemipol, the weight of 2/3 was taken for the DCF based valuation and that of 1/3 for the comparative approach. This is a reasonable assumption as values that are verified by market should be allocated bigger weights.

In view of this, the recommended value of the bloc of interests of Kemipol_held by the NFOŚiGW is:

PLN 33 056 349.80 (one interest worth PLN 287 446.52)

In conclusion, I am satisfied that both the method used and the methodology applied and the data used in the valuation were relevant, and so the result of the valuation is correct.

IV. Concluding statements

1. A summary of findings of the audit is given under point III herein.
2. This opinion consists of 15 numbered pages initialled by the registered auditor.

in Warsaw, 3 November 2009

Appendixes:

1. *Report of the Management Board of Bank Ochrony Środowiska S.A.*

Registered Auditor
W. Kępczyńska-Skiba
No. 7324/3678