
**REPORT ON THE CONTROLLING ACTIVITIES OF THE SUPERVISORY BOARD
OF UNIPETROL, A.S. FOR THE ANNUAL GENERAL MEETING OF UNIPETROL,
A.S.
HELD ON 21 JUNE 2016**

1. INTRODUCTION

The Supervisory Board of UNIPETROL, a.s. (hereinafter “**Unipetrol**”) hereby submits to the Ordinary General Meeting its Report on Controlling Activities in the period from 1st January 2015 to 11th May 2016 (“**Report on Controlling Activities**”).

The Supervisory Board of Unipetrol states that this Report on Controlling Activities was approved by the Supervisory Board of Unipetrol in its version dated 11th May 2016.

2. MEETINGS OF THE SUPERVISORY BOARD

In the period from 1st January 2015 to 11th May 2016 ten (10) Supervisory Board meetings were organized in total. In the given period the Supervisory Board also voted per rollam four (4) times in total.

The individual meetings of the Supervisory Board took place on: 23rd March 2015 (twice), 2nd June 2015, 16th September 2015, 26th November 2015, 10th December 2015, 13th January 2016 (twice) and on 7th April 2016 (twice).

The per rollam voting took place on the following dates: 5th - 6th February 2015, 23rd - 24th April 2015, 18th May 2015 and 24th - 25th June 2015.

3. COMPOSITION OF THE SUPERVISORY BOARD

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

As of 1st January 2015 the Supervisory Board of Unipetrol had the following composition:

Dariusz Jacek Krawiec	Chairman of the Supervisory Board
Sławomir Jędrzejczyk	Vice-Chairman of the Supervisory Board
Ivan Kočárník	Vice-Chairman of the Supervisory Board
Zdeněk Černý	Member of the Supervisory Board
Piotr Chełmiński	Member of the Supervisory Board
Bogdan Dzdzewicz	Member of the Supervisory Board
Piotr Kearney	Member of the Supervisory Board
Krystian Pater	Member of the Supervisory Board
Rafał Sekuła	Member of the Supervisory Board

In relation with termination of a term of office of Mr. Ivan Kočárník and Mr. Bogdan Dzdzewicz, the Ordinary General Meeting of Unipetrol on 2nd June 2015 decided on

election of the above mentioned persons into the Supervisory Board for the next three-years-term of office with an effect from 25th June 2015.

On 21st December 2015, Mr. Dariusz Jacek Krawiec, the Chairman of the Supervisory Board resigned from the office of a member of the Supervisory Board. Pursuant to the provisions of Section 59 (5) Act No. 90/2012 Coll., on commercial corporations, the term of Mr. Krawiec lapsed on 21st January 2016.

On 11th February 2016, Mr. Rafał Sekuła resigned from the office of a member of the Supervisory Board. Pursuant to the provisions of Section 59 (5) Act No. 90/2012 Coll., on commercial corporations, the term of Mr. Sekuła lapsed on 11th March 2016.

On 7th April 2016, pursuant to the provisions of Article 16.3 of the Unipetrol's Articles of Association, the Supervisory Board decided on its regular meeting on the appointment of Mr. Wojciech Jasiński and Mr. Zbigniew Leszczyński to the position of substitute members of the Supervisory Board of Unipetrol until the next General Meeting. Concurrently, the Supervisory Board decided upon election of Mr. Wojciech Jasiński as a Chairman of the Supervisory Board.

As of 11th May 2016 the Supervisory Board of Unipetrol had the following composition:

Wojciech Jasiński	Chairman of the Supervisory Board
Sławomir Jędrzejczyk	Vice-Chairman of the Supervisory Board
Ivan Kočárník	Vice-Chairman of the Supervisory Board
Zdeněk Černý	Member of the Supervisory Board
Piotr Chelmiński	Member of the Supervisory Board
Bogdan Dzudzewicz	Member of the Supervisory Board
Piotr Kearney	Member of the Supervisory Board
Zbigniew Leszczyński	Member of the Supervisory Board
Krystian Pater	Member of the Supervisory Board

4. COMMITTEES OF THE SUPERVISORY BOARD

Permanent Committees of the Supervisory Board

As of 1st January 2015 the following Committees of the Supervisory Board of Unipetrol were operating:

(a) HR and Corporate Governance Committee:

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

(b) Strategy and Finance Committee

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

After the changes in the composition of the Supervisory Board based on the decision of the General Meeting adopted on 2nd June 2015, by the decision of the Supervisory Board on 16th September 2015, Mr. Ivan Kočárník was appointed as a member of the Strategy and Finance Committee and Mr. Bogdan Dzudzewicz was appointed as a member of the HR and Corporate Governance Committee. Based on the decision of Committee members on 26th November 2015, Mr. Bogdan Dzudzewicz was elected as a Chairman of the HR and Corporate Governance Committee.

On 11th February 2016, Mr. Rafał Sekuła resigned from the office of a member of the Supervisory Board. Pursuant to the provisions of Article 16.6 of the company's Articles of Association, the office of a member of the HR and Corporate Governance Committee together with lapse of the term of office of Mr. Rafał Sekuła in the Supervisory Board of Unipetrol ended as of 11th March 2016.

As of 11th May 2016 the composition of the individual Supervisory Board Committees was as follows:

(a) HR and Corporate Governance Committee:

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

(b) Strategy and Finance Committee:

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

The above Supervisory Board Committees are established in accordance with the Articles of Association of Unipetrol by the Supervisory board. In the past period they performed the duties assigned to them by valid Articles of Association of Unipetrol and regularly informed the Supervisory Board about the results of their activities at individual Supervisory Board meetings.

Thanks to the activities of the Supervisory Board Committees, the activities of the Supervisory Board itself were made more efficient, as the individual matters within its competencies are regularly assigned to the appropriate Supervisory Board Committees for

detailed analysis. The committees are composed of persons with extensive experience in the areas relevant to the specific Committees.

5. CONTROLLING ACTIVITIES OF THE SUPERVISORY BOARD

5.1 Regular controlling activity

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

The Supervisory Board mainly discussed and gave its opinion on the ongoing optimization projects in the Group and also its effects on financial results. It approved the proposal for the merger of UNIPETROL RPA, s.r.o., POLYMER INSTITUTE BRNO, spol. s r.o. and BENZINA, s.r.o. It also discussed the situation following the explosion in the steam cracker unit in UNIPETROL RPA, s.r.o. from 13th August 2015 as well as the event's impact on the safety of employees and company's assets. The Supervisory Board paid also particular attention to the initiatives implemented in order to minimize lost trading profits.

In 2015 a 2016 at the Supervisory Board meetings, investment projects realized in Unipetrol Group were also discussed. These were mainly dealing with the construction of the Polyethylene united III and steam cracker unit reconstruction after the explosion of 13th August 2015. In the first quarter of 2015, the Supervisory Board examined the progress of work related to the acquisition of 303,301 shares in ČESKÁ RAFINÉRSKÁ, a.s., which represents 32,445% on the share capital of ČESKÁ RAFINÉRSKÁ, a.s. from the company Eni International B.V. This transaction was finished on 30th April 2015.

Due to the expiration of the term of office of Mr. Marek Świtajewski, Mr. Piotr Wielowieyski, Mr. Mirosław Kastelik and Mr. Andrzej Kozłowski in the Board of Directors of Unipetrol in 2015 and 2016, the Supervisory Board decided on their re-election for the following three-year term. Along with the election, the Agreements on exercise of the office of member of Board of Directors of Unipetrol were approved. Further, the Supervisory Board and its committees gave their positive opinion and agreed to undertake a number of personal changes in the statutory and supervisory bodies of Unipetrol Group. As part of the unification of Unipetrol Group's corporate documents, the Supervisory Board discussed and approved proposals for changes in corporate documents of the subsidiaries.

In 2015 and 2016, performing the general legal requirements and internal regulations, the Supervisory Board gave its opinion on various documents, particularly to drafts of separate and consolidated financial statements, proposal on profit distribution of the company and proposal for the appointment of an auditor for Unipetrol for the accounting period of 2015 and 2016, submitted by the Board of Directors for the approval by the General Meeting of Unipetrol.

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

5.2 Controlling activities on request of a shareholder

In the period from 1st January 2015 to 11th May 2016, the Supervisory Board did not perform any controlling activities on request of shareholders.

6. EVALUATION OF THE COMPANY'S SITUATION

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

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Prague, 11th May 2016

Supervisory Board of UNIPETROL, a.s.