

The Supervisory Board of Cyfrowy Polsat S.A. (hereinafter the "Company" or "Cyfrowy Polsat") presents the following to the Annual General Meeting of the Company's Shareholders:

- the report on its activities in the financial year 2015,
- an assessment of the Management Board's report on the activities of the Company in the financial year 2015, as well as the financial statements of the Company for the financial year 2015 and the assessment of the Management Board's motion regarding the distribution of the profit generated by the Company in the financial year 2015,
- the assessment of the Company's standing, including an assessment of the internal control, risk management and compliance systems, and the internal audit function,
- an assessment of the Company's compliance with information disclosure obligations, and
- an assessment of the rationality of the Company's policy in the areas of sponsoring, charity and other activities of similar nature.

I. REPORT OF THE SUPERVISORY BOARD ON ITS ACTIVITIES IN THE FINANCIAL YEAR 2015

1. Composition of the Supervisory Board

As at January 1, 2015 the Supervisory Board comprised the following members:

- Mr. Zygmunt Solorz-Żak – Chairman of the Supervisory Board,
- Mr. Heronim Ruta - Member of the Supervisory Board,
- Mr. Robert Gwiazdowski – Independent Member of the Supervisory Board,
- Mr. Andrzej Papis – Member of the Supervisory Board,
- Mr. Leszek Reksa – Independent Member of the Supervisory Board,

On April 2, 2015, the Annual General Meeting appointed the following persons as Supervisory Board Members for the next, joint 3-year term of office:

- Mr. Zygmunt Solorz-Żak,
- Mr. Heronim Ruta,
- Mr. Robert Gwiazdowski,
- Mr. Leszek Reksa,
- Mr. Józef Birka,
- Mr. Aleksander Myszka.

The above indicated persons continued to serve as Supervisory Board Members as of December 31, 2015.

Mr. Zygmunt Solorz – Żak, who was the Supervisory Board Chairman during the previous term of office, was re-appointed the Supervisory Board Chairman on April 2, 2015 and, as a result, he acted in this capacity in the period from January 1, 2015 to December 31, 2015.

Mr. Robert Gwiazdowski and Mr. Leszek Reksa were appointed as independent Supervisory Board Members, which constitutes the fulfillment of principle III.6 of the "Code of Best Practices for WSE Listed Companies", adopted by the Resolution of the Warsaw Stock Exchange Supervisory Board dated July 4, 2007, including subsequent amendments (currently principle II.Z.3 of the new "Code of Best Practices for WSE Listed Companies 2016", adopted by the Resolution of the Warsaw Stock Exchange Supervisory Board dated October 13, 2015). In accordance with the abovementioned principle,

at least two Supervisory Board Members should meet the criterion of independence from the Company and from any entities substantially related to the Company.

In the Supervisory Board's opinion, Mr. Robert Gwiazdowski and Mr. Leszek Reksa meet the criteria of independence which are mentioned in Annex II to the European Commission Recommendation 2005/162/WE dated February 15, 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board. Moreover, according to the information obtained by the Supervisory Board, neither Mr. Robert Gwiazdowski, nor Mr. Leszek Reksa are employed by the Company, or by any of its subsidiaries or related parties, and they are not bound by any agreements of similar nature with any of these parties. According to the Supervisory Board's knowledge, Mr. Robert Gwiazdowski or Mr. Leszek Reksa have no actual or financial relations with any shareholder of the Company who is entitled to at least 5% of the total number of votes in the Company. In the face of the above, the Supervisory Board has concluded that there exist not relations or circumstances, which could affect the fulfillment of the criterion of independence by the above mentioned Supervisory Board Members.

2. Composition of the Supervisory Board Committees

The following standing Committees functioned as part of the Supervisory Board in 2015:

- the Audit Committee and
the Remuneration Committee.

The following were members of the Audit Committee in the period from January 1, 2015 to December 31, 2015:

- Mr. Heronim Ruta,
- Mr. Robert Gwiazdowski and
- Mr. Leszek Reksa.

The following were members of the Remuneration Committee in the period from January 1, 2015 to December 31, 2015:

- Mr. Zygmunt Solorz – Żak and
- Mr. Heronim Ruta.

Both Committees were reappointed with unchanged membership on the date of establishment of the Supervisory Board for the next term of office, i.e. on April 2, 2015.

3. Scope of activities of the Supervisory Board and the Supervisory Board Committees

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

In 2015, the Supervisory Board held 3 meetings and in addition adopted resolutions in the mode stipulated by Article 22, section 3 of the Company's Articles of Association and §5, section 4 of the Supervisory Board By-Laws, i.e. by means of direct remote communication.

In 2015, the Supervisory Board exercised permanent supervision over the Company's operations in all areas of its activities.

Upon becoming acquainted with the opinion of the Audit Committee, the Supervisory Board approved and adopted the budget of Cyfrowy Polsat S.A. Capital Group (hereinafter referred to as "Cyfrowy Polsat Group," or the "Group") for the year 2015, prepared by the Management Board. The Supervisory Board also approved and adopted the Group's Business Plan for the years 2015 – 2020, which was also developed by the Management Board.

The Supervisory Board consented to the initiation of the bond issue program and to the issue, as part of the program, of corporate bonds with maximum nominal value of PLN 1,000,000,000 (one billion zloty).

In the year 2015 the Supervisory Board focused in particular on the refinancing of Cyfrowy Polsat Group's debt incurred as a result of:

- the Senior Facilities Agreement, for the total (original) amount of up to PLN 3,000,000,000 (three billion zloty), which was concluded by the Company, together with other Cyfrowy Polsat Group companies, with a consortium of Polish and foreign banks on April 11, 2014,
- the Senior Facilities Agreement, for the total (original) amount of PLN 7,950,000,000 (seven billion nine hundred fifty million zloty), which was concluded on June 17, 2013 by Polkomtel Sp. z o.o., a subsidiary of the Company, as well as by other Cyfrowy Polsat Group companies, and
- the issue of senior notes with the face value of EUR 542,500,000 (five hundred forty two million five hundred thousand US dollars), which were issued by Eileme 2 AB (publ), a subsidiary of the Company, on the basis of the Indenture entered into on January 26, 2012 by and between, among others, Eileme 2 AB (publ) and Citibank, N.A. London Branch.

The Supervisory Board expressed, in particular, its consent to an early repayment of the above described debt and to incurring new financial liabilities for the purpose of refinancing the existing debt and other purposes, and also expressed its consent to the establishment of associated security interest. In particular, the Supervisory Board issued a positive opinion on the General Meeting's resolution regarding the consent to enter into a pledge agreement and establish a registered pledge on a set of assets and rights, forming an organizational entity with a variable composition and being part of the Company's enterprise, with a view to secure the claims arising under the refinancing documentation.

On December 8, 2015, acting pursuant to Art. 19, section 2 letter c) of the Company's Articles of Association and the recommendation of the Remuneration Committee, the Supervisory Board introduced changes to the Company's Management Board, by appointing to the function of President of the Management Board the then Vice-President of the Management Board, Mr. Tobiasz Solorz. Mr. Tomasz Gillner-Gorywoda, who acted in that capacity until then, was appointed to the position of Management Board Member. In addition, effective March 1, 2016 the Supervisory Board appointed Ms. Agnieszka Odorowicz to the Management Board, by entrusting to her the function of Management Board Member.

Acting pursuant to Art. 19, section 3, letter. h) of the Company's Articles of Association, the Supervisory Board repeatedly expressed its consent for the Company to incur liabilities with a value exceeding PLN 10,000,000 (ten million), i.a. for the following purposes:

- placing an order for the purchase of telecommunication services,
- acquiring shares in Orsen Holding Ltd. with its registered office in Malta,
- entering into license agreements related to re-broadcasting of programs constituting part of Cyfrowy Polsat's offer, and
- purchasing end-user equipment, as well as components and accessories required for the manufacturing of satellite TV reception equipment.

Acting pursuant to Art. 19, section 3, letter f) of the Company's Articles of Association, the Supervisory Board expressed its consent several times regarding the appointment or dismissal of members of corporate authorities of the Company's subsidiaries.

Based on the authorization granted by the Extraordinary General Meeting, in 2015 the Supervisory Board adopted the consolidated text of the Company's Articles of Association, incorporating the amendments introduced by the resolution of the Extraordinary General Meeting on January 16, 2016, which concerned the extension of the Company's scope of business, the possibility of issuing convertible bonds by the Company, the principles of division of responsibilities among Management Board Members and the change of representation of the Company.

Acting pursuant to article 382 § 3 of the Commercial Companies Code, article 19 section 2 points 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 2014, containing in particular results of the evaluation of: the Management Board's report on the Company's activities in the financial year 2014, the financial statements of the Company for the financial year 2014 and the Management Board's motion concerning the distribution of the profit generated by the

Company in the financial year 2014, as well as the evaluation of the internal control and risk management systems, which are relevant to the Company.

In 2015, the Supervisory Board recommended that the Annual General Meeting approve the financial statements for the financial year 2014 and grant a vote of approval for the performance of duties in 2014 to the Members of the Management Board. After having analyzed it, the Supervisory Board gave a positive opinion on the Management Board's motion regarding the distribution of net profit earned by the Company in the financial year 2014 in the amount of PLN 177,213,590.79 (one hundred seventy seven million two hundred thirteen thousand five hundred ninety zloty and seventy nine grosz) by allocating it in full to the reserve capital.

Acting pursuant article 19, section 2, letter h) o the Company's Articles of Association, upon having acquainted itself with the recommendations of the Management Board and the Audit Committee, the Company's Supervisory Board 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 2015.

In 2015 the Supervisory Board conducted no controls or investigations and did not suspend any Members of the Management Board of the Company.

The basic tasks of the Audit Committee include supporting the Supervisory Board in the fulfillment of its duties, in particular in the field of correctness and efficiency of functioning of internal controls in the Company, as well as supervising the integrity of financial information presented by the Company. In 2015, the Audit Committee held several meetings which were attended, at the Committee's invitation, by the Management Board Member responsible for finance (CFO) and the Director of the Audit and Internal Control Division. In the course of its work in 2015, the Audit Committee:

- reviewed and issued a positive opinion with regard to the budget of Cyfrowy Polsat Group for the year 2015,
- reviewed both the Company's and Cyfrowy Polsat Group's interim reports, as well as positively assessed the correctness and the compliance of the accounting principles followed by the Company,
- presented its recommendation to the Supervisory Board regarding the appointment of the certified auditor, its remuneration and terms of contract. The Audit Committee recommended that the Supervisory Board reappoints PricewaterhouseCoopers Sp. z o.o. as the party authorized to perform the audit of the financial statements of Cyfrowy Polsat S.A. as well as the consolidated financial statements of Cyfrowy Polsat Group for the financial year ended December 31, 2015,
- reviewed the internal control and risk management systems, as well as the internal audit function in the Company and issued its opinion confirming the effective functioning of these systems and of the internal audit function.

The Remuneration Committee advises the Supervisory Board on the overall remuneration policy in Cyfrowy Polsat Group and provides recommendations regarding the appointment of Management Board Members, the terms and conditions of remuneration and the amounts of bonuses for Management Board Members. During its meetings held in 2015, the Remuneration Committee prepared numerous recommendations for the Supervisory Board. In particular, the Committee recommended the appointment of Mr. Tobiasz Solorz to the position of President of the Management Board of the Company and recommended that a new member be added to the Management Board, by appointing Ms. Agnieszka Odorowicz. The Committee issued a positive opinion with regard to the terms of employment and remuneration of Ms. Agnieszka Odorowicz. Moreover, the Remuneration Committee evaluated the degree of accomplishment of the goals and fulfillment of the tasks by Management Board Members, which served as the basis for recommending the amount of the variable portion of Board Members' compensation in 2015.

Bearing in mind the above, in the opinion of the Supervisory Board, during the reporting period the Supervisory Board fulfilled, properly and efficiently, its statutory obligations involving constant supervision of overall operations of the Company, The Supervisory Board also confirms that its Members fulfilled their roles in a professional and reliable manner, while acting with due diligence, including by being actively involved in the work of the Supervisory Board and of its standing Committees.

II. ASSESSMENT OF THE MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF THE COMPANY IN THE FINANCIAL YEAR 2015, THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR 2015 AND THE MANAGEMENT BOARD'S MOTION REGARDING THE DISTRIBUTION OF THE PROFIT GENERATED BY THE COMPANY IN THE FINANCIAL YEAR 2015

Acting pursuant to article 382 §3 of the Commercial Companies Code and article 19, section 2, letter a) of the Company's Articles of Association, in connection with article 395 §2 of the Commercial Companies Code, the Supervisory Board has positively assessed:

- the stand-alone financial statement of Cyfrowy Polsat S.A. for the financial year ended December 31, 2015,
- the Management Board's report on the activities of Cyfrowy Polsat S.A. for the financial year ended December 31, 2015, and
- the Management Board's motion regarding the distribution of the profit generated by the Company in the financial year ended December 31, 2015.

The Supervisory Board, having considered the opinion and the report of the certified auditor on the course and the results of the audit of the financial statements of the Company for the year 2015 and having evaluated the report, states that the financial statements of the Company for the financial year 2015 were prepared based on properly held ledgers, are compliant in terms of form and content with the provisions of law in force and are a fair presentation of all the information relevant to the evaluation of profitability and financial results in the audited period, as well as the financial and economic standing of the Company as at December 31, 2015. Moreover, the Supervisory Board acknowledges that the financial statements of the Company for the financial year 2015 are compliant with the books and documents of the Company, as well as with the actual standing. Therefore, the Supervisory Board puts forward a motion to the General Meeting to approve the financial statements of the Company for the financial year 2015.

The Supervisory Board, having analyzed and evaluated the Management Board's report on the activities of the Company in 2015, acknowledges that the Management Board's report on the activities of the Company in the financial year 2015 is compliant with the books and documents of the Company, as well as with the actual situation. 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 2015 to Mr. Tobias Solorz, who acted as Vice-President of the Management Board from January 1, 2015 to December 8, 2015, and as President of the Management Board from December 8, 2015 to December 31, 2015, to Mr. Tomasz Gillner-Gorywoda, acting as President of the Management Board from January 1, 2015 to December 8, 2015 and as Management Board Member from December 8, 2015 to December 31, 2015, as well as to the Members of the Management Board: Mr. Dariusz Działkowski, Mrs. Aneta Jaskólska, Mr. Maciej Stec and Mr. Tomasz Szeląg.

The Supervisory Board, having considered the motion of the Management Board regarding the allocation of total net profit for the financial year 2015 in the amount of PLN 446,146,891.55 to the reserve capital, issues a positive opinion and puts forward the motion to the General Meeting to adopt a resolution regarding the distribution of the profit in the way proposed by the Management Board.

III. ASSESSMENT OF THE COMPANY'S STANDING, INCLUDING THE ASSESSMENT OF ITS INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE SYSTEMS, AS WELL AS ITS INTERNAL AUDIT FUNCTION

The Supervisory Board became acquainted with and analyzed in detail all the major operating indicators, as well as the financial results achieved by the Company and by Cyfrowy Polsat Group in 2015. The Supervisory Board concluded that in 2015 the Company and its subsidiaries consistently pursued the adopted strategy, which included the maximization of revenue from contract customers by upselling additional products and services to the combined customer base of Cyfrowy Polsat and Polkomtel Sp. z o.o. In the segment of services provided to individual and business customers the total number of active revenue generating units (RGUs) was 16.5 million, including 77% of services provided in the contract model, which guarantees higher stability of revenues in the future, as well as higher customer loyalty. The Group's integrated offer – the smartDOM program, has proven to be a success. It is currently used by over a million customers who use more than 3 million active services in total. In 2015 the broadcasting and TV production segment was characterized by a growing

audience share of Cyfrowy Polsat Group's channels, which were the leading channels on the market, accompanied by a dynamic growth of advertising revenue.

Strong operational performance translated to very good financial results. In 2015 Cyfrowy Polsat recorded growth of revenue to over PLN 9.8 billion, which when coupled with effective cost control contributed to an improved level of EBITDA (nearly PLN 3.7 billion) and enabled the Company to maintain high margins (37.5%). In 2015 Cyfrowy Polsat Group generated free cash flow at the level of PLN 1.3 billion. At the same time, the Supervisory Board positively assessed the process of refinancing of the Group's debt conducted by the Management Board, which will enable interest savings in the amount of around PLN 400 million annually and will improve the flexibility and security of the Company's operations.

Bearing in mind the above items, the Supervisory Board positively assessed the standing of the Company and of Cyfrowy Polsat Group, both from operating and financial points of view, with good prospects for development in the coming quarters.

An internal control system operates in the Company, the effectiveness of which is the responsibility of the Management Board. The internal control system covers the Company's major operational processes which require control mechanisms for monitoring and limiting risks which are material for the Company, including the process of preparing the financial statements and interim reports prepared and published in accordance with the provisions of the Ordinance of the Minister of Finance of February 19, 2009 regarding current and periodic information to be submitted by issuers of securities, and the conditions for recognizing equivalence of information required under non-member states regulations.

The basic task of the internal control system is to assure the accomplishment of business goals by the Company. The Company has an organizational structure, which is updated on on-going basis. The reporting paths, the responsibilities and the levels of authorization (the rights) are clearly defined in that structure, which constitutes an additional tool for the neutralization of material risks associated with the conducted business activities. In the Supervisory Board's opinion, the internal control system and critical risk management, as well as the internal audit function are of satisfactory quality.

Just like in the past years, the Company's Audit and Internal Control Division, while working together with the certified auditor carried out an overall audit of functioning of the key components of the internal control system present in the Company. The results of this audit were presented to the Management Board and to the Audit Committee. Upon becoming acquainted with the report prepared by the Director of Audit and Internal Control Division and by the Management Board, as well as upon having read the Audit Committee's opinion, which assessed the functioning of internal control and risk management systems and the internal audit function, the Supervisory Board issued a positive opinion on the effectiveness of functioning of the above systems and functions.

A centralized compliance system does not function in the Company, however, the Supervisory Board is of the opinion that there exists satisfactory control of compliance of the Company's operations with the valid law. Compliance control is regulated by the Company's internal regulations and it is effected at the level of individual organizational units responsible for respective areas of operations.

IV. ASSESSMENT OF THE COMPANY'S COMPLIANCE WITH INFORMATION DISCLOSURE OBLIGATIONS RELATED TO IMPLEMENTATION OF CORPORATE GOVERNANCE PRINCIPLES DEFINED IN THE WSE RULES, AS WELL AS IN OTHER REGULATIONS CONCERNING CURRENT AND PERIODIC INFORMATION DISCLOSED BY ISSUERS OF SECURITIES

In the Supervisory Board's opinion, in 2015 the Company demonstrated reliable and due compliance with information disclosure obligations related to the implementation of the principles of corporate governance as defined in the WSE Rules, as well as in other regulations concerning current and periodic information disclosed by issuers of securities. In particular, in accordance with §29, section 3 of the WSE Rules and principle I.Z.1.13 of the "Code of Best Practices for WSE Listed Companies 2016", the Company published information regarding the status of implementation by the Company of the recommendations and the detailed principles defined in the "Code of Best Practices for WSE Listed Companies 2016". The aforementioned information was published in the form of a report via the EBI (Electronic Information Database) system, as well as on the Company's website.

Moreover, pursuant to §91, point 5.4) of the Order of the Minister of Finance of February 19, 2009 (with subsequent amendments) regarding current and periodic information to be submitted by issuers of securities, and the conditions for recognizing equivalence of information required under non-member states regulations, the report on the activities of the Company in the financial year ended December 31, 2015 contains a statement confirming the observance of corporate

governance rules, which forms a separate section of the report. In the Supervisory Board's opinion, the disclosures found in the declaration are complete and exhaustive and they reflect the actual state of affairs.

V. ASSESSMENT OF THE RATIONALITY OF THE COMPANY'S POLICY IN THE AREAS OF SPONSORING, CHARITY OR OTHER SIMILAR ACTIVITIES

No official policy which governs sponsoring and charity activities exists in the Company. Nonetheless, both the Company, and members of Cyfrowy Polsat Group embark on numerous activities of such a nature, including support for sports or cooperation with numerous foundations and public benefit organizations.

The activities which the Company and its subsidiaries conducted in 2015 included the following:

- involvement in numerous actions aimed at supporting ill children and children in need, as well as their parents, conducted in cooperation with Polsat Foundation,
- charity projects implemented as part of corporate volunteering activities, targeted on providing material support to people in need, and
- support for rescue units and cooperation with such units as a technological partner in educational projects and in projects promoting safety.

The Supervisory Board views the charity and sponsoring activities conducted by the Company and its subsidiaries in 2015 as rational and beneficial for the society. These activities offer direct financial or material support for persons, especially ill and disabled children and children in need, while cooperation with rescue units translates into improved safety of tourists. In the opinion of the Supervisory Board, such an attitude builds a positive image of the Company.