

**REPORT ON THE OPERATIONS OF THE
SUPERVISORY BOARD of Centrum Kapitałowe-Modus Sp. z o.o.
WITH ITS REGISTERED OFFICE IN KATOWICE
IN 2010**

The Supervisory Board of Centrum Kapitałowe-Modus Sp z. o.o. in the period:

- **1 January 2010 to 2 August 2010**

1. Andrzej Hołda – Chairman of the Supervisory Board
2. Paweł Szafraniec – Deputy Chairman of the Supervisory Board
3. Alina Sowa – Secretary of the Supervisory Board
4. Janusz Pietruczuk – Member of the Supervisory Board

- **3 August 2010 to 31 December 2010**

1. Andrzej Hołda – Chairman of the Supervisory Board
2. Alina Sowa – Deputy Chairman of the Supervisory Board
3. Dariusz Kowzan – Secretary of the Supervisory Board

In the above period, the **Supervisory Board**, in carrying out its duties, **held three meetings** and adopted **11 resolutions**, which in particular concerned the following matters:

1. Approval of apartment prices at the Książęce housing estate in Katowice-Ligota.
2. Adoption of the agenda for the General Meeting of Shareholders.
3. Granting the President of the Management Board a discharge from liability for the performance of his duties.
4. Receipt and evaluation of the report of the Supervisory Board of CK-Modus on the Supervisory Board's operations.
5. Receipt and evaluation of the report of the Management Board of CK-Modus on the Company's operations.
6. Evaluation of the Company's financial statements for financial year 2009.
7. Covering the net loss for 2009.
8. Approval of amendments to the advertising budget of the Książęce housing estate in Katowice-Ligota.
9. Election of the Chairman, Deputy Chairman and Secretary of the Supervisory Board.
10. The rules of remuneration for the Supervisory Board.
11. The selection of a certified auditor to audit the Company's financial statements for 2010.

It also discussed the following matters concerning the construction project implemented in Katowice-Ligota:

12. The construction investment with regard to marketing and costs.
13. Discussion and approval of amendments to the advertising budget of the Książęce housing estate for 2010.
14. Ongoing analysis of the costs of constructing and implementing the Książęce housing estate investment with regard to the progress of the construction works.
15. Ongoing monitoring of the Company's receivables.
16. Ongoing monitoring of the Company's results.
17. Discussion of the material and financial schedule for the investment.
18. Discussion of the apartment sales strategy.
19. Making a decision on the selection of a certified auditor to audit the financial statements for 2010.
20. Making a decision to incorporate the company CK-Modus in Energomontaż-Południe S.A.
21. Collaboration in preparing the Company's General Meetings of Shareholders

The Supervisory Board took part in organising General Meetings of Shareholders. In 2010, three General Meetings of Shareholders took place, on: **11 June 2010, 2 August 2010 and 3 August 2010**. They dealt with the following matters:

1. Review and approval of the Management Board's report on the operations of the Company for financial year 2009.
2. Adoption of a resolution on covering the loss from 2009.
3. Discharge from liability for the performance of duties for the period 1 January 2009 to 31 December 2009.
4. Review and approval of CK-Modus' Supervisory Board report, and discharging the Supervisory Board from liability for the performance of its duties for the period 1 January 2009 to 31 December 2009.
5. As the Company has completed the Książęce investment project in Katowice, it is necessary to adopt a resolution to recall members of the Company's Supervisory Board.
6. As the Supervisory Board of Energomontaż-Południe S.A. has withheld its consent for the liquidation of the subsidiary by CK-Modus Sp z. o.o. together with Energomontaż-Południe S.A., it is necessary to adopt a resolution on supplementing the membership of the Supervisory Board.

I

In financial year 2010, the Company concentrated on carrying out further construction work in accordance with the adopted schedule. During the reporting period, the Company completed

construction and, on 14 October 2010, obtained an occupancy permit for the buildings. The building occupancy permit being obtained, individual units will be gradually separated out from the overall property, together with fractional parts of the perpetual usufruct of the land. This is when revenues from apartment sales will appear. At present, the Company has intensified its marketing operations with a view to promoting the estate and attracting customers. By the end of 2010, several preliminary agreements had been signed with persons interested in buying an apartment.

The Company's financial results are closely related to the specific nature of its development operations. During the time of construction, the Company receives no revenues from its core operations (i.e. the sale of apartments). The year in question ended with a net loss of **PLN 1,148,118.50**.

The Company was represented by a Management Board consisting of one person. The post of Management Board President has been held since 26 February 2008 by Mr Tadeusz Torbus.

II

In 2010, the Supervisory Board continued the manner of work it had previously adopted, consisting mainly of conducting working meetings. It expressed its positions and opinions on the matters it considered in resolutions, and in recommendations to the Company's Management Board. The Board worked jointly, fulfilling, among other things, all its obligations stemming from the Commercial Companies Code and the by-laws of the Management Board. The Company's Management Board took part in all Supervisory Board meetings. The Board regularly evaluated the Management Board's work. The Board worked in accordance with the Company's Articles of Association and the adopted by-laws of the Supervisory Board.

III

During the period under consideration, the Company's **Management Board** presented information, documents and explanations requested by the Supervisory Board.

In the **Supervisory Board's** opinion, the Management Board acted in the interest and to the good of the Company.

At the same time, the **Supervisory Board** is considering merging the Company with its owner, Energomontaż-Południe S.A.

Based upon its evaluation of the Management Board's work, the **Supervisory Board** recommends to the General Meeting of Shareholders that it **discharge the President of the Management Board, Mr Tadeusz Torbus**, from liability for the performance of his duties during the period **1 January 2010 to 31 December 2010**.

The Supervisory Board, consisting of:

Andrzej Holda	Chairman of the Supervisory Board	<i>....Andrzej Holda.....</i>
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Alina Sowa	Deputy Chairman of the Supervisory Board	<i>....Alina Sowa.....</i>
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Dariusz Kowzan	Secretary of the Supervisory Board	<i>...Dariusz Kowzan.....</i>
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