

ANNUAL REPORT
ON THE OPERATION OF CCC S.A.
FOR THE PERIOD FROM
01.01.2014 TO 31.12.2014

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Background information

Name of the Issuer:	CCC Spółka Akcyjna
Registered office of the Issuer:	Polkowice
Address:	ul. Strefowa 6, 59-101 Polkowice
Telephone:	+ 48 (76) 845 84 00
Fax:	+ 48 (76) 845 84 31
Email:	ccc@ccc.eu
Website:	www.ccc.eu
Registration:	District Court for Wrocław-Fabryczna in Wrocław, 9th Commercial Division of the National Court Register.
KRS Number:	0000211692
Regon (Statistical Number):	390716905
NIP (Tax Identification Number):	692-22-00-609

Corporate purpose: The Issuer's primary corporate purpose according to the European Classification of Economic Activities is wholesale and retail trade of clothing and footwear (ECEA 5142).

CCC S.A. has been listed on Giełda Papierów Wartościowych S.A. in Warsaw (Warsaw Stock Exchange) since 2004.

- 2. Primary business and financial figures disclosed in the annual financial statements, in particular, a description of the factors and circumstances which materially affect the Issuer's business and the profits generated or losses incurred by the Issuer in the financial year, as well as growth prospects for the Issuer's business, at least for the next financial year.**

As of 31 December 2014, the CCC S.A. Group's sales network comprised of 729 stores.

Table 1. The area and number of stores of CCC Capital Group SA

		31.12.2013		31.12.2014	
		<i>m²</i>	<i>number</i>	<i>m²</i>	<i>number</i>
OWN STORES	CCC (Poland), including:	141 960	379	166 946	405
	- CCC (agency)	12 102	37	14 344	39
	CCC (The Czech Republic)	26 947	73	32 309	79
	CCC (Slovakia)	10 646	25	13 866	30
	CCC (Hungary)	23 456	50	27 689	57
	CCC (Germany)	2816	6	18 380	27
	CCC (Austria)	2272	4	9184	17
	CCC (Turkey)	924	2	1805	3
	CCC (Croatia)	1651	3	4436	8
	CCC (Slovenia)	1165	2	3646	6
	BOTI (Poland)	9820	72	4984	34
	LASOCKI/QUAZI	2504	20	1052	8
FRANCHISES	CCC (Poland)	1 586	8	0	0
	CCC (Russia)	2178	6	1781	5
	CCC (Latvia)	2212	5	2622	6
	CCC (Romania)	7869	19	13 454	31
	CCC (Kazakstan, Ukraine)	1587	4	2288	6
	BOTI (Poland)	4325	34	877	7
FRANCHISES IN TOTAL		19 757	76	21 022	55
TOTAL		243 918	712	305 320	729

- 2. Primary business and financial figures (...) (continued)**

CCC Group operates a distribution in its own stores and franchises within 3 sales chains of CCC, BOTI, Lasocki. The space of own sales chain in 2014 amounted to 284,300 sq.m. (+26,8% y / y), including in Poland – 173,000 sq.m.. The retail space in retail franchises in 2014 amounted to 21.000 sq.m. (+6,4% y / y), including in Poland – 900 sq.m.

The strategy of CCC provides for a consistent enlargement of sales chains and the opening of new stores, both domestically and abroad, carefully selected in terms of expected profitability and rate of return. In 2014, CCC increased the pace of expansion, strengthening its position of an undisputed leader in Poland and winning foreign markets. As of the balance sheet date, the Company had subsidiaries in the Czech Republic, Slovakia, Hungary, Germany, Austria, Slovenia, Croatia and Turkey and in Bulgaria, whose primary business is the distribution of goods supplied by CCC SA. In the coming years, the Company will aggressively and dynamically continue to pursue the strategy of international expansion. Key values and business and financial figures are contained in the tables below:

Table 2. Key business and financial figures of CCC S.A.

Figure	2014 (PLN '000)	2013 (PLN '000)	change %
net revenue from sales	1 695 891	1 511 592	12.2%
gross earnings from sales	699 739	655 775	6.7%
cost of sales and management	561 820	539 930	4.1%
profit loss on operating activity (EBIT)	132 560	106 069	25.0%
gross profits	141 030	115 867	21.7%
net profits	115 825	98 396	17.7%
	31.12.2014 (PLN '000)	31.12.2013 (PLN '000)	change %
shareholders' equity	454 793	398 212	14.2%
liabilities and provisions	513 673	635 173	- 19.1%
non-current liabilities and non-current provisions, of which:	245 833	190 510	29.0%
<i>long-term bank loans and credits*</i>	216 000	158 000	36.7%
current liabilities and current provisions, of which:	267 840	444 663	- 39.8%
<i>- short-term bank loans and credits*</i>	44 311	200 748	-77.9%
total assets	968 466	1 033 385	- 6.3%
non-current assets	453 320	345 959	31%
current assets	515 146	687 426	-25.1%
inventory	228 303	388 478	-41.2%
current receivables including:	227 853	206 294	10,5%
-loans granted	106 346	29 950	255,1%

**detailed information about the loans incurred is set out in Note 16 to the financial statements*

On 30 September 2014 the company CCC S.A. made an in-kind contribution to the subsidiary CCC Shoes & Bags Sp. z o.o. organized part of the company and the acquired shares in the increased share capital of this company. However, from 1 October the Company CCC Shoes & Bags Sp. z o.o. completed the sale of an organized part of the company to its subsidiary CCC.eu Sp. z o.o. and acquired shares in the increased share capital of the company. Described activities are related to the process of organizational and process restructuring of the Issuer and separation of operation activity from the holding one within the Capital Group CCC S.A. Accordingly, the company CCC S.A. from 30 September does not conduct current operations in the segment of "franchise and other sales".

2. Primary business and financial figures (...) (continued)

In 2014, CCC S.A. generated a sales revenue of PLN 1,695,891,000 (+12,2% yoy). Retail sales revenue amounted to PLN 1,398,829 compared to PLN 1,256,134 in a previous year (+11,40 % yoy). Sales in comparable stores in own network CCC increased by + 6.2% yoy.

In the same period, the revenue from franchise and other (wholesale) sales amounted to PLN 297,062,000 (+16.3 % yoy).

In the discussed period, the cost of sales and management increased by PLN 21,890,000 (+4,1 % yoy). The ratio of the cost of sales and management to sales revenue decreased to 0.33 (2013 - 0.36) and remains typical for companies operating in the retail sector.

The balance sheet of CCC S.A. as of 31 December 2014 shows a total amount of assets and liabilities of PLN 968,466,000. The balance sheet sum decreased by 64,919,000 PLN compared to its value as on 31 December 2013. The significant change in current assets related to the restructuring process of the Group CCC S.A. involved a decrease of inventory of PLN 160,175,000 to the level of 228,303,000 PLN. On the tangible assets side, there was an increase of long-term investments under the acquisition of shares of the company Shoes&Bags Sp. z o.o. to the level of 107,175,000 PLN (+91.6% YoY). On the liabilities side, major changes included obtaining new financing sources with external capital (bond issue 210,000,000 PLN in June 2014) and transferring the majority of bank loans to the company CCC.eu sp z o.o. (the operation related to the restructuring process of the Group CCC).

Table 3. Profitability ratios

Figure	2014	2013	change %
gross profit margin on sales	41,3%	43,4%	-4,8%
operating profitability (EBIT)	7,8%	7,0%	11,4%
gross profitability	8,3%	7,7%	7,8%
net profitability	6,8%	6,5%	4,6%
return on assets (ROA)	12,0%	9,5%	26,3%
return on equity (ROE)	25,5%	24,7%	3,2%

Definitions:

- gross profit margin on sales** - ratio of gross margin on sales to sales revenue,
- operating profitability (EBIT)** - ratio of operating profits to sales revenue,
- gross profitability** - ratio of gross profits to sales revenue,
- net profitability** - ratio of net profits to sales revenue,
- return on assets (ROA)** - ratio of net profits to the position of assets,
- return on equity (ROE)** - ratio of net profits to the position of equity.

Table 4. Liquidity ratios

Figure	2014	2012	change %
quick ratio	1,9	1,5	26,7%
quick liquidity ratio	1,1	0,7	57,1%
stock rotation ratio (days)	113	159	-28,9%
receivables rotation ratio (days)	47	37	27,0%
trade liabilities rotation ratio (days)	65	69	-5,8%

Definitions:

- quick ratio** - ratio of total current assets to the value of short-term liabilities and short-term provisions,
- quick liquidity ratio** - ratio of total current assets less provisions to the value of short-term liabilities and short-term provisions,
- stock rotation ratio** - ratio of mid-sized stock to the cost of goods and services sold, multiplied by the number of days in the reference period,
- receivables rotation ratio** - ratio of mid-range trade receivables and other receivables to sales revenue, multiplied by the number of days in the reference period,
- liabilities rotation ratio** - ratio of mid-range liabilities to the cost of goods and services sold, multiplied by the number of days in the reference period.

2. Primary business and financial figures (...) (continued)

Table 5. Debt and asset financing ratios

Figure	2014	2013	change %
share of own funds in the financing of current assets	88,3%	57,9%	52,5%
ratio of coverage of fixed assets with shareholders' equity	100,3%	115,1%	-12,9%
overall debt ratio	53,0%	61,5%	-13,8%
long-term debt ratio	25,4%	18,4%	38,0%
short-term debt ratio	27,7%	43,0%	-35,6%
ratio of liabilities to shareholders' equity	112,9%	159,5%	-29,2%

Definitions:

- a) **share of own funds in the financing of current assets** - ratio of own funds to current assets,
- b) **ratio of coverage of fixed assets with shareholders' equity** - ratio of shareholders' equity to fixed assets,
- c) **overall debt ratio** - ratio of the total value of liabilities and provisions to the value of assets,
- d) **long-term, short-term debt ratio** - ratio of, respectively, non-current liabilities, non-current provisions, current liabilities, and current provisions to the balance sheet sum,
- e) **ratio of liabilities to shareholders' equity** - ratio of total liabilities and provisions as at the end of the reference period to the value of shareholders' equity.

The Management Board of CCC S.A. assesses highly the Company's ability to discharge any obligations incurred thereby.

3. Description of material risks and threats, and the extent to which the Issuer is affected by these risks and threats.

In the opinion of the Management Board, the activity of CCC S.A. is affected by the following factors:

1. Internal factors:
 - Strengthening of own sales chain. In the years 2013-2015, the planned increase in the commercial space of the CCC Group S.A. will be at least 200,000 sq. m:
 - 2014 - 42,300 sq.m.
 - 2014 – 61,400 sq.m.
 - 2015 – 80,000 – 95,000 sq.m. (estimated increase 25-30%)
 -
 - Efforts to increase brand recognisability and value. Appropriate advertising and promotional tools, store décor and presence in high-profile venues should help consistently enhance and strengthen the image of the brands owned by the CCC S.A. Group.
2. External factors:
 - Currency exchange rates. Due to the fact that CCC S.A. generates the majority of its revenue in PLN, and the part of the costs are incurred in foreign currencies, the exchange rates of USD and EUR will affect the cost structure and recording currency exchange differences in the income statement.
 - Interest rate change. CCC S.A. is exposed to the risk of interest rate changes in relation to the loan agreements concluded. The loans are subject to a variable interest rate based on WIBOR. Interest rate increases will affect the value of interest on the loans to be paid by the Company.

3. Primary business and financial figures (...) (continued)

- Overall economic situation in Poland and abroad. The revenue of CCC S.A. is generated in Poland. Hence, purchasing power of Polish consumers and their propensity to consume is important for the Company. Any worsening of the economic situation in Europe may negatively affect the operating results and financial position of the Issuer.
- Seasonal nature of sales and weather conditions. Sales and the value of inventory depends on the seasonal nature of demand (demand peaks in the spring and autumn seasons). A disruption of weather conditions may cause consumers to postpone their shopping decisions or may shorten the peak sales season. Having its own manufacturing capacity strengthens CCC S.A.'s immunity to seasonal and weather factors. The Company is able to quickly adapt production and supply stores with goods that reflect current expectations and weather conditions.
- Stores locations. Strengthening market standing through dynamic growth of the store chain may be associated with the risk of an unsuccessful store location or a limited number of successful new locations.
- Fashion trends and failed collections. CCC S.A. is exposed to the risk of launching failed footwear collections. A factor that can mitigate this risk is the Company's many years of market experience, monitoring European and global fashion trends (participating in international footwear fashion fairs, e.g. in Milan, Garda, Dusseldorf).

The Management Board of CCC S.A. states that in the reference period in question, there were no factors or circumstances of non-typical nature that would significantly affect the Company's operations.

4. Proceedings pending before a court, an authority competent to conduct arbitration proceedings or a public administration body.

CCC S.A. is not a party to any court proceedings in which the value of the subject of dispute would exceed 10 per cent of the Company's own funds.

5. Information about basic products, goods or services, together with their value and quantity, and the share of the products, goods or services (if they are material) or their groups in the Issuer's total sales, as well as changes in this regard in the financial year.

The business activity of CCC S.A. covers the following fundamental areas:

- retail of footwear through its own distribution network,
- retail of accessories and small clothing accessories,
- lease of commercial spaces.

The structure of sales of CCC S.A. by value and volume is presented in the tables below.

Table 6. The structure of sales of CCC S.A

CATEGORY	2014		2013	
	PLN '000	share %	PLN	share %
Footwear	1 532 737	90,4%	1 383 914	91,6%
Other sales	163 154	9,6%	127 678	8,4%
Total	1 695 891	100,0%	1 511 592	100,0%

The item "Other sales" includes revenue from selling handbags, accessories and small clothing accessories, as well as invoiced costs of commercial space lease.

5. Information about basic products, goods or services (...) (continued)

Table 7. Volume and value of footwear sales of CCC S.A.

CATEGORY	2014		2013	
	Volume (in thousands of units)	Value (PLN '000)	Volume (in thousands of units)	Value (PLN '000)
Women's footwear	13 960	927 782	12 969	851 213
Share %	57,2%	60,5%	56,7%	61,5%
Men's footwear	4 465	362 603	4 215	322 189
Share %	18,3%	23,7%	18,4%	23,3%
Children's footwear	5 988	242 352	5 681	210 512
Share %	24,5%	15,8%	24,8%	15,2%
Total	24 413	1 532 737	22 865	1 383 914
Share %	100,0%	100,0%	100,0%	100,0%

In the sales structure of CCC S.A., the main product sold is women's footwear, which accounted for 60.5 per cent of the value of footwear sales in 2014.

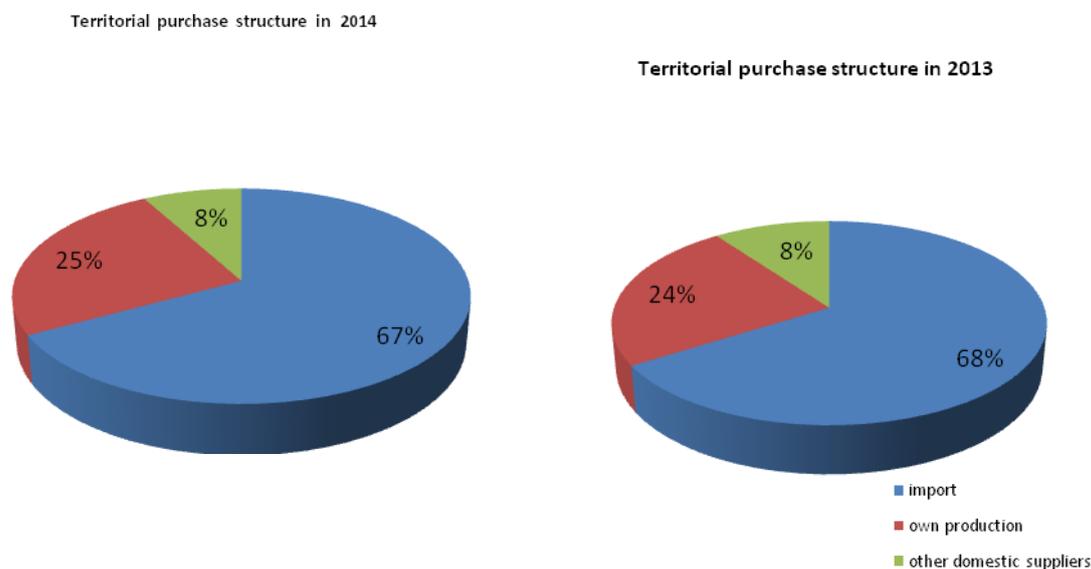
6. Information about markets, including domestic and foreign markets, and information about sources of manufacturing materials, sources of goods and services, specifying dependence on one or more customers and suppliers.

In 2014, the share of retail in total sales amounted to 82,5% (83,1% in 2013). Until 30.09.2014. the company CCC S.A. was organized into two distribution channels. Currently it operates in the segment of retail operations in the country. CCC SA sales structure is shown in table 8.

Table 8. The structure of sales of CCC S.A. according to distribution channels

CATEGORY	2014		2013	
	PLN '000	share %	PLN '000	share %
Retail sales	1 398 829	82,5%	1 256 134	83,1%
Franchise and other sales	297 062	17,5%	255 458	16,9%
Total	1 695 891	100,0%	1 511 592	100,0%

Figure 1. Major product supply sources for the CCC S.A. Capital Group (value)



6. Information about markets (...) (continued)

According to the underlying restructuring of the Group CCC SA, supplying goods for the Group is handled by the company CCC.eu sp. z o.o.. This company acquires goods from domestic suppliers, foreign ones and own factory (CCC Factory Sp. z o.o.). Supply structure (country, import) remains at a similar level. Depending on the economic conditions the company has the ability to quickly change foreign sources of supply. Shoes imported from the territory of China comes from dozens of manufacturers.

7. Concluded agreements with material effect on the Issuer's operations, including agreements known to the Issuer and concluded between shareholders, insurance agreements, and partnership or cooperation agreements.

In the reporting period, the Issuer did not conclude any new material agreements, save for the agreements described in Clauses 10 and 12.

8. Information about the Issuer's foreign or capital links with other entities and its primary domestic and foreign investments (securities, financial instruments, intangible assets and real estate), including capital investments made outside the affiliate group and the financing method.

CCC S.A. is the dominant entity in the CCC Capital Group. The organisational structure in the CCC S.A. Capital Group is as follows:

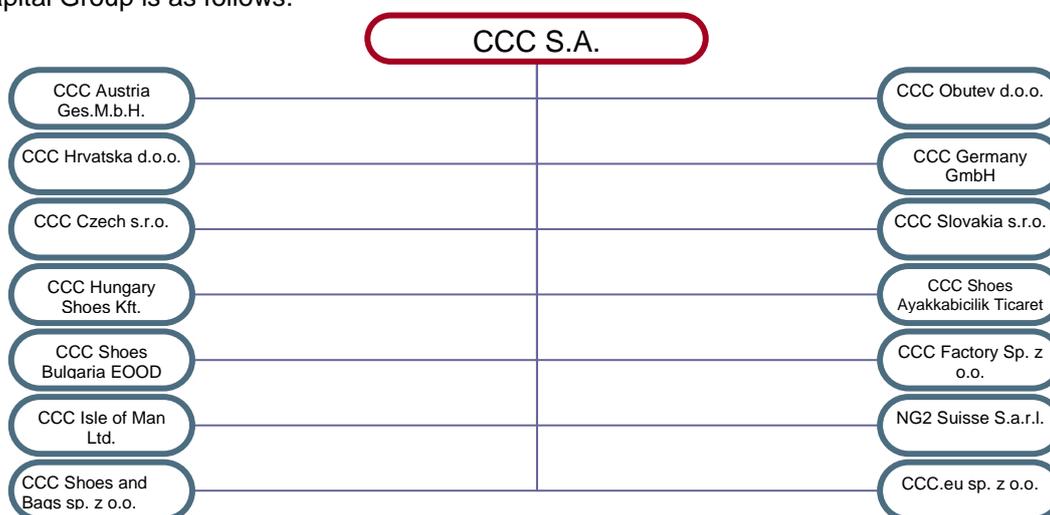


Table 9. Affiliates as on 31 December 2014

The subsidiaries of CCC S.A.	Headquarters/Country	Percentage share in the entity's capital %	Nominal value of shares
CCC Factory Sp. z o.o.	Polkowice, Poland	100	15 559 000 PLN
CCC Czech s.r.o.	Prague, Czech Republic	100	112 600 000 CZK
CCC Slovakia s.r.o.	Bratislava, Slovakia	100	5 000 EUR
CCC Hungary Shoes Kft.	Budapest, Hungary	100	10 000 000 HUF
CCC Austria Ges. M. b. H.	Graz, Austria	100	100 000 EUR
CCC Shoes Ayakkabıcılık Ticaret Limited Sirketi	Istanbul, tutions	100	50 000 TRY
CCC Obutev d.o.o.	Maribor, Slovenia	100	50 000 EUR
CCC Hrvatska d.o.o.	Zagreb, Croatia	100	380 000 HRK
CCC Germany GmbH	Frankfurt am Main, Germany	100	100 000 EUR

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CCC Shoes Bulgaria EOOD	Sofia, Bulgaria	100	100 000 BGN
CCC Isle of Man Ltd.	Douglas, Isle of Man	100	100 GBP
CCC.eu sp. z o.o.	Polkowice, Polska	100 *	2 005 000 PLN
CCC Shoes and Bags sp. z o.o.	Polkowice, Polska	100	2 125 090 000 PLN
NG2 Suisse S.a.r.l.	Zug, Szwajcaria	100	20 000 CHF

9. Material transactions concluded by the Issuer or its subsidiary with affiliates on terms other than arm's length terms, together with their amounts and notes on the nature of the transactions.

To the Issuer's knowledge, none of the transactions described above were concluded.

10. Information on loan agreements incurred and terminated in the financial year, listing at least their amount, type and interest rate, currency and maturity date.

In the reporting period the Company CCC S.A.

1. concluded the following annexes to loan and credit agreements:

- On March 25, 2014, the Company CCC S.A. signed a loan agreement with NG2 Suisse S.à.r.l. in the amount of PLN 28,000,000 bearing the interest at 6% per annum and the repayment date as 31.12.2014 (annex of 31.12. 2014 extending the maturity date to 31.12.2015)
- On March 31, 2014, the Company CCC S.A. signed an annex to the loan agreement dated 27 March 2013, concluded with mBank S.A. with its registered office in Warsaw. The annex increased the loan amount to 60,000,000 PLN, the interest rate WIBOR + bank margin and set the repayment date on 27.03.2015.
- On 15 October 2014, the company CCC S.A. signed an annex to the agreement on a multi-purpose credit limit of 9 October 2013, concluded with Bank Polska Kasa Opieki S.A. with its registered office in Warsaw. By this annex, the Parties decided to terminate the above-mentioned agreement by mutual agreement, with effect from the date of its signing.

2. transferred the debt on the company CCC Shoes & Bags sp. z o.o., then on the Company CCC.eu Sp. z o.o. due to the following credit agreements:

- loan agreement concluded with ING Bank Śląski S.A. based in Katowice on revolving credit,
- loan agreement concluded with mBank S.A. with its registered office in Warsaw on overdraft and revolving credit,
- loan agreement concluded with Bank Handlowy w Warszawie S.A. with its registered seat in Warsaw on overdraft and revolving credit facility,

The transfer of the debt was related to the carried out reorganization of the Capital Group CCC S.A. based on the separation of the operation activity from the holding one.

3. through the issuance of long-term bonds it raised capital in the amount of 210 000 000 PLN. Funds are used in accordance with the purpose of the issue, i.e. to finance the development of the sales network and current operations.

Other information can be found in Note 16 of the financial statements of CCC S.A. for the period 01.01.2014 - 31.12.2014.

11. Loans granted in the financial year in question, taking into account particularly the loans granted to the Issuer's affiliates, listing their amount, type and interest rate, currency and maturity date.

In the reporting period, CCC S.A. (Lender) concluded the following loan agreements:

Table 10. Loan agreements granted in the reporting period

Entity	Loan amount	Interest rate per annum	Maturity date
CCC Shoes & Bags Sp. z o.o.	300 000 PLN	WIBOR 3M +margin	31.12.2015
CCC Shoes Bulgaria EOOD	4 000 000 BGN	9.00%	31.12.2015
CCC.eu sp. z o.o.	38 000 000 PLN	WIBOR 3M +margin	31.12.2015
CCC.eu sp. z o.o.	7 000 000 EUR	1.50%	31.12.2015
CCC.eu sp. z o.o.	1 510 000 USD	1.50%	31.12.2015
LANDSHUD Krzysztof Janota i Andrzej Kutnik Sp. jawna	2 800 000 PLN	WIBOR 3M +margin	31.12.2014
ADLER INTERNATIONAL Sp. z o.o. Sp.k.	15 000 000 PLN	WIBOR 3M +margin	31.12.2016

* Loan repaid as of 31.12.2014.

Other agreements are described in the note of individual financial statement of CCC S.A.

12. Guarantees and warranties obtained and extended in the financial year, in particular with respect to guarantees and warranties extended to the Issuer's affiliates.

In the reporting period, the Company CCC SA signed the following agreements and annexes to increase the value of limits in the form of bank guarantees:

1/ On October 29, 2014, the Company CCC SA signed an annex to the agreement dated 28 October 2010, signed with Bank Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw. The annex reduced the amount of bank guarantee limit to 20 000 000 PLN;

2/ On 15 October 2014, the Company CCC SA signed an agreement for the opening of the guarantee line with the bank Polska Kasa Opieki S.A with its registered office in Warsaw. As part of the agreement, the Bank granted the Company a limit in the form of bank guarantees for a total amount not exceeding 5 000 000 PLN;

3/ On June 23, 2014, the Company CCC SA signed an annex to the agreement of the Bank Guarantee of 31 March 2009, concluded with Bank Zachodni WBK SA based in Wroclaw. The annex changed the amount of bank guarantee limit to 45 000 000 PLN;

4/ On April 30, 2014, the Company CCC SA signed an annex to the agreement of the Bank Guarantee of 31 March 2009, concluded with Bank Zachodni WBK SA based in Wroclaw. The annex changed the duration of the limit to 30 April 2015 and the date of expiry of the contract, which expires on 30 April 2016;

In the reporting period CCC SA provided a guarantee for lease agreements concluded by the following subsidiaries:

1 / CCC Hungary - 1 guarantee for the amount of 60 000 EUR;

2 / CCC Germany - 19 guarantees for a total amount of 972 000 EUR.

Guarantees were granted for the duration of the lease agreements, which means that it does not exceed a period of 10 years from the date of their conclusion.

Detailed information about the loans and guarantees granted and received is set out in Note 16 to the financial statements.

12. Guarantees and warranties obtained and extended (...) (continued)

In the reporting period, the Company CCC SA received the following guarantees in force on the date of submitting the report:

The entity providing the guarantee	Amount of guarantee	Maturity date	To agreement
CCC Shoes and Bags sp. z o.o.	6 000 000 PLN	31.10.2018	Agreement on the opening of the guarantee line- PeKaO SA
CCC Factory sp. z o.o.	6 000 000 PLN	31.10.2018	
CCC.eu sp. z o.o.	6 000 000 PLN	31.10.2018	
CCC.eu sp. z o.o.	25 000 000 PLN	30.03.2016	Agreement on overdraft facility - Millennium SA
CCC Shoes and Bags sp. z o.o.	25 000 000 PLN	30.03.2016	
CCC.eu sp. z o.o.	20 000 000 PLN	26.10.2017	Multipurpose credit agreement - PKO BP
CCC Shoes and Bags sp. z o.o.	20 000 000 PLN	26.10.2017	
CCC.eu sp. z o.o.	150% of the nominal value of the issued and outstanding Bonds, but not more than 750.000.000 PLN	Each Surety Agreement shall remain in force to the later of the following dates: (i) the date on which benefits fulfillment will be completed of the last Bond issued under the Programme; (ii) the date of expiry of the limitation period for claims of the last Bond issued under the Programme; or (iii) the date falling after 20 years from the Date of Statement.	To surety agreements concluded with the Bondholders
CCC Shoes and Bags sp. z o.o.	150% of the nominal value of the issued and outstanding Bonds, but not more than 750.000.000 PLN	Each Surety Agreement shall remain in force to the later of the following dates: (i) the date on which benefits fulfillment will be completed of the last Bond issued under the Programme; (ii) the date of expiry of the limitation period for claims of the last Bond issued under the Programme; or (iii) the date falling after 20 years from the Date of Statement.	To surety agreements concluded with the Bondholders

In the reporting period, the Company CCC SA provided the following guarantees in force on the date of submitting the report:

The entity receiving the guarantee	Amount of guarantee	Maturity date	To agreement
CCC.eu sp. z o.o.	100 000 000 PLN	26.10.2017	Agreement on multipurpose credit limit - PKO BP
CCC.eu sp. z o.o.	240 000 000 PLN overdraft facility, 6 000 000 PLN – bank guarantees	31.10.2019	Agreement on multipurpose credit limit - PeKaO SA
CCC.eu sp. z o.o.	76 800 000 PLN	31.08.2019	Agreement on overdraft facility - Bank Handlowy SA
CCC.eu sp. z o.o.	103 200 000 PLN	31.08.2019	Revolving credit agreement - Bank Handlowy SA
CCC.eu sp. z o.o.	100 000 000 PLN	29.01.2018	Revolving credit agreement in PLN- ING Bank Śląski
CCC.eu sp. z o.o.	70 000 000 PLN	31.12.2016	Aval - Agreement on overdraft facility - mBank
CCC.eu sp. z o.o.	80 000 000 PLN	31.12.2018	Aval - Agreement on overdraft facility - mBank

13. Explanation of the differences between the financial results disclosed in the annual report and the previously published performance projections for the year.

No projections were published for 2014.

14. Assessment and justification pertaining to the management of financial resources, with particular emphasis on the ability to discharge incurred obligations, and specification of potential threats and measures that the Issuer plans to take to counteract the threats.

The Management Board of CCC S.A. has assessed highly the Company's ability to discharge any obligations incurred thereby. In the Management Board's view, the level of cash flow and generated financial performance will allow the Company to maintain its liquidity ratios at a level that will ensure proper functioning of the Company. Furthermore, to counteract any potential threats, the Company consistently diversifies its third-party working capital sources.

15. Assessment of the potential to implement investment goals, including capital expenditures, compared to the amount of funds possessed, taking into account potential changes to the structure of funding this activity.

The Management Board of CCC S.A. intends to finance its investments using its own funds and foreign capital (increase of the value of foreign debt). In the view of the Management Board, there are currently no major threats that could affect the implementation of investment goals in the future.

16. Assessment of factors and non-typical occurrences affecting the result on operations for the financial year in question, stating the extent to which these factors and non-typical occurrences affected the performance.

In the period covered by this report, there were no non-typical occurrences that would materially affect the result on operations.

17. External and internal factors affecting the growth of the Issuer's business and growth prospects for the Issuer's business at least until the end of the financial year following the financial year for which the financial statements contained in this annual report were prepared, taking into account elements of the Issuer's market strategy.

In the Issuer's view, the major factors that will affect its performance in the near future are:

- volume of sales completed and margins generated,
- continued dynamic expansion of CCC's sales network,
- weather conditions,
- exchange currency rates

18. Changes to the fundamental principles of managing the Issuer's business and its Capital Group.

On September 30, 2014, the company CCC S.A. made an in-kind contribution to the subsidiary CCC Shoes & Bags Sp. z o.o of an organized part of the company and the acquired shares in the increased share capital of this company. However, from October 1, the Company CCC Shoes & Bags Sp. z o.o. carried out the sale of an organized part of the company to its subsidiary CCC.eu Sp. z o.o. and acquired shares in the increased share capital of the company. On 4 November 2014 The Meeting of Shareholders of NG2 Suisse S.a.r.l. gave its consent to transfer the property rights to the trademarks to the Company CCC.eu Sp. z o.o.

Described activities are related to the process of organizational and restructuring process of the Issuer and separation of operation activity from the holding one within the Capital Group CCC S.A.

19. Any agreements concluded between the Issuer and managers, which stipulate

compensation in the event of their resignation or departure from their position without a valid reason, or if their recall or dismissal results from a merger of the Issuer effected via an acquisition.

There were no such agreements concluded between the Issuer and managers.

20. **Value of remuneration, awards and benefits, including those offered under incentive or bonus schemes, based on the Issuer's capital, including plans based on senior bonds, convertible bonds, subscription warrants (in cash, in kind or any other form), paid out, payable or potentially payable, individually for each of the Issuer's managers or supervisors in the Issuer's business.**

Remuneration of the Issuer's management or supervisory board members, received for the period from 1 January to 31 December 2014, and for the period from 1 January to 31 December 2013, are presented in the tables below.

Table 11. Remuneration of management board members

Name and surname	Position	Gross amount (PLN) 2014	Gross amount (PLN) 2013
Dariusz Milek*	The President of the Management Board	840 000	690 000
Mariusz Gnych**	Vice-President of the Management Board	780 000	510 000
Piotr Nowjalis***	Vice-President of the Management Board	1 020 000	728 000
Total		2 640 000	1 982 000

* For year 2014, Mr. Dariusz Milek additionally received, under the contract of employment, remuneration in the amount of PLN 30,000 in the subsidiary CCC Factory Sp.z o.o.; (in 2013 – 10.000 PLN)

** For year 2014, Mr. Mariusz Gnych additionally received remuneration in the amount of PLN 90,000 for performing functions in the management of the subsidiary of CCC Factory Sp.z o.o.; (in 2013 – 105.000 PLN)

*** For year 2014 Mr. Piotr Nowjalis additionally received under the contract of employment remuneration in the amount of PLN 30,000 in the subsidiary CCC Factory Sp.z o.o.; (in 2013 – 10.000 PLN)

Table 12. The number of potentially outstanding subscription warrants

Name and surname	Position	2014	2013
Dariusz Milek	The President of the Management Board	-	-
Mariusz Gnych	Vice-President of the Management Board	50 000	50 000
Piotr Nowjalis	Vice-President of the Management Board	50 000	50 000
Total		100 000	100 000

Table 9. Remuneration of supervisory members

Name and surname	Position	Gross amount (PLN) 2014	Gross amount (PLN) 2013
Henryk Chojnacki	Chairman of Supervisory Board	24 000	24 000
Wojciech Fenrich	Member of Supervisory Board	18 000	18 000
Martyna Kupiecka	Member of Supervisory Board	18 000	18 000
Marcin Murawski	Member of Supervisory Board	18 000	18 000
Piotr Nadolski	Member of Supervisory Board	-	14 000
Jan Rosochowicz	Member of Supervisory Board	18 000	4 000
Total		96 000	96 000

20. **Value of remuneration, awards and benefits (...) (continued)**

On June 26, 2013, the Annual General Meeting of Shareholders of CCC S.A. appointed Mr. Jan Rosochowicz to be the Member of Supervisory Board. The term of office of Mr. Piotr Nadolski in the Supervisory Board expired on June 26, 2013.

Managers and supervisors do not receive any remuneration due to their functions in the Companies of Capital Group CCC S.A. other than those listed in Table 11 and 13.

21. Total number and value of all of the Issuer's shares and shares in the Issuer's affiliates, held by Management and Supervisory Board members (for each individually).

The Issuer's share capital is composed of 38,400,000 shares:
 - 6,650,000 shares carrying voting rights - 2 votes for each share;
 - 31,750,000 ordinary bearer shares.
 The nominal value of 1 share is PLN 0.1.

As on the date of the 2014 report, the Issuer's Management and Supervisory Board members held the following number of shares in CCC S.A.:

Table 10. Number and nominal value of shares held by Management Board members

Position/Title Name and surname	Shares held as on the report submission date	Nominal value in PLN '000
The President of the Management Board–Dariusz Milek*	13 360 000	1 336.00
Vice-President of the Management Board-Mariusz Gnych	120 000	12,00

*indirectly as the dominant entity in ULTRO S.A.

22. Information on agreements known to the Issuer (including agreements concluded after the balance sheet date) which may in the future result in changes to the proportional holdings of the shares among existing shareholders and bondholders.

In 2010-2012, an incentive scheme was in place, but its objectives were not met and, therefore, the subscription right was not exercised.

To the Issuer's knowledge, as on the report submission date, in addition to the new Incentive Scheme addressed to current and future Management Board members, current and future members of the management boards of the subsidiaries, and the Company's executives, there are no agreements that could in the future result in changes to the proportional holdings of the shares among existing shareholders.

Detailed information about the incentive scheme is set out in Note 17 to the financial statements.

23. Information about the monitoring system for employee stock ownership plans.

By the decision of the Extraordinary General Meeting of Shareholders of 19 December 2014, the 2014-2015 incentive scheme was launched, and was addressed to current and future Management Board Members, current and future members of the management boards of the subsidiaries and the Company's management. Participants of the Scheme will be able to subscribe E series shares (new issue shares). This right may be exercised if the total consolidated net profits of the CCC SA Group for the years 2013, 2014 and 2015, calculated with the exclusion of costs incurred in connection with the introduction of the Incentive Scheme, is at least PLN 620,000,000.

Detailed information about the incentive scheme is set out in Note 17 to the financial statements.

24. The Issuer's agreement with the entity authorised to audit financial statements.

Information in this regard was published in Note 31 to the financial statements of CCC S.A. for the period from 1 January 2013 to 31 December 2014.

25. Information about major research and development accomplishments.

Not applicable.

26. Information on the purchase of own shares, and in particular, the purpose of their purchase, their number and nominal value, and indication of the percentage of the share capital they represent, purchase price and sale price of these shares, in the case of their disposal.

In the reporting period in question, the Company did not purchase its own shares.

27. Information about the entity's branches (plants).

The Company does not have branches (plants).

28. Information about financial instruments.

The company keeps the signed agreements relating to futures and derivatives with Bank Handlowy SA in Warsaw, PKO BP SA, PEKAO SA and mBank.

At the balance sheet date, the Company did not demonstrate open positions on financial instruments in the accounts. The risks to which the Company is exposed in connection with the use of other than the above-mentioned financial instruments are described in Note 3 of the CCC SA financial statements for the period 01.01.2014-31.12.2014.

29. Statement of the Management Board of CCC S.A.

Pursuant to Article 91.1.5 and 91.1.6 of the Regulation of the Minister of Finance on current and periodical information provided by issuers of securities and the conditions of equivalency of information required by the legislation of non-member states of 19 February 2009, the Management Board of CCC S.A. hereby states that:

- to its best knowledge, the annual financial statements of CCC SA, as well as the comparable data, were prepared in accordance with the applicable accounting standards and reflect truly, accurately and clearly the assets, financial standing and financial performance of CCC SA,
- the annual report on the operations of CCC SA presents a true picture of the growth, accomplishments and situation of CCC SA, including the major threats and risk factors,
- the entity authorised to audit financial statements, auditing the annual financial statements of CCC SA, was appointed in accordance with the applicable laws. Furthermore, that entity and auditors auditing the Issuer's annual financial statements have met the requirements to issue an impartial and independent opinion on the audited annual financial statements, in accordance with the applicable laws and professional standards.

SIGNATURES OF ALL MANAGEMENT BOARD MEMBERS		
Dariusz Miłek	President of the Management Board	
Mariusz Gnych	Vice-President of the Management Board	
Piotr Nowjalis	Vice-President of the Management Board	

Polkowice, 30 April 2015 r.

30. Statement by the Management Board of CCC S.A. on the application of corporate governance principles in CCC S.A. in 2014.**Indication of the corporate governance principles applicable to the Issuer and the location of the publicly available set of principles.**

In 2014, the Company complied with the principles contained in the document entitled „Dobre Praktyki Spółek Notowanych na GPW” (“Best Practice for WSE-Listed Companies”), contained in the appendix to Resolution 19/1307/2012 of the Supervisory Board of the Stock Exchange of 21 November 2012.

The collection of the principles is available *inter alia* on the WSE’s website: http://www.corp.gov.pl/assets/library/polish/regulacje/dobre_praktyki_16_11_2012_final.pdf

Extent to which the Issuer departed from the provisions of the set of corporate governance principles and reasons for such departure.

In 2014, the Company did not apply the rules contained in Section 12 of Chapter I and point 10 of Chapter IV of the "Code of Best Practice for WSE Listed Companies". The Company taking into account the need to carry out a number of technical steps - and associated risk of technical and legal nature which may affect the orderly and uninterrupted agenda of the general meeting of shareholders, and thus on their rights, decided not to broadcast the general meeting in real time, and provide shareholders with the possibility to participate in the general meeting by means of electronic communication. As far as the use of this technology is promoted and provides adequate security for its application, the Management Board of CCC SA has been considering putting it into practice.

Description of the fundamental features of the internal audit and risk management systems used in the Issuer’s business with respect to the process of preparing financial statements and consolidated financial statements.

The Management Board is responsible for the effective operation of the Company’s internal audit system. The Vice-President of the Management Board supervises the process of preparing financial statements. The Chief Accountant of the Company is responsible for managing the process of preparing financial statements, and supervises the proper recording of business operations in the Company’s books of account. The document circulation process ensures that any potential risks related to the proper recording of business operations may be mitigated. The Company has a multi-level internal audit system, which, in the Management Board’s view, makes it possible to effectively counteract and quickly eliminate potential inaccuracies. Furthermore, annual financial statements are audited and semi-annual financial statements are reviewed by an independent body, i.e. an auditor. The results of each audit and review are enclosed to the reports published.

Shareholders holding directly or indirectly considerable blocks of shares.

List of shareholders holding large blocks of shares in accordance with Art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (as of the date of submission of the annual report):

Shareholder	Number of shares carrying voting rights (quantity)	Share in the share capital (%)	Number of votes at the General Meeting (quantity)	Share in the overall number of votes at the General Meeting (%)
<i>Ultron S.A. (the entity controlled by Dariusz Milek)</i>	13 360 000	34.79	18 110 000	40.20
Leszek Gaczorek	2 710 000	7.06	4 460 000	9.90
Aviva OFE*	3 140 375	8.18	3 140 375	6.97

30. Statement by the Management Board of CCC S.A. on the application of corporate governance principles in CCC S.A. in 2014.

On the submission date of the financial statements for 2014, the Company has no information about the other shareholders who have held at least 5% of votes at the General Meeting of Shareholders.

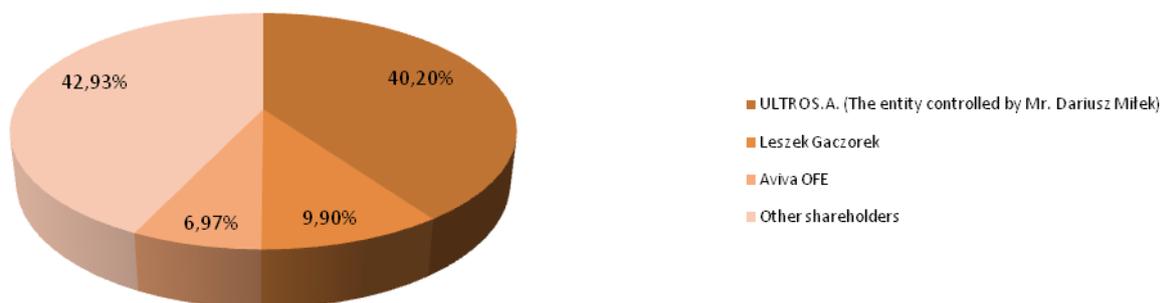
The Company's shares are divided into the following categories:

- ordinary bearer shares,
- registered shares carrying voting rights, in that each share carries two votes at the General Meeting of the Company.

A portion of the above shares vested in ULTRO S.A. (the entity controlled of Dariusz Miłek) and Leszek Gaczorek carry voting rights:

Shareholder	Number of shares carrying voting rights (quantity)	Share in the share capital (%)	Number of votes at the General Meeting (quantity)	Share in the overall number of votes at the General Meeting (%)
<i>Ultra S.A. (the entity controlled by Dariusz Miłek)</i>	4 750 000	12.37	9 500 000	21.09
Leszek Gaczorek	1 750 000	4.56	3 500 000	7.77

Share in the overall number of votes at The General Meeting of Shareholders



Holders of any securities that carry special control rights and a description of these rights.

Shareholders holding preferred shares (as on the annual report submission date):

Shareholder	Number of shares held	Share in the share capital (%)	Number of votes at the General Meeting (quantity)	Share in the overall number of votes at the General Meeting (%)
<i>Luxprofi s.a.r.l. (the entity controlled by Dariusz Miłek)</i>	4 750 000	12.37	9 500 000	21.09
Leszek Gaczorek	1 750 000	4.56	3 500 000	7.77
Lech Chudy	50 000	0.13	100 000	0.22
Mariusz Gnych	50 000	0.13	100 000	0.22
Renata Miłek	50 000	0.13	100 000	0.22
Total	6 650 000	17.32	13 300 000	29.52

The above shares carry voting rights and each share carries two voting rights.

30. Statement by the Management Board of CCC S.A. on the application of corporate governance principles in CCC S.A. in 2014. (continued)

Any restrictions with respect to exercising voting rights in the Issuer's company.

There are no restrictions.

Any restrictions with respect to transferring the ownership of the Issuer's securities.

Shareholders of the Company have the right of first refusal with respect to the purchase of registered preferred shares designated for sale. If this right is not exercised with respect to all or any portion of the shares, the transfer of ownership of these shares requires the approval of the Company's Management Board.

Terms and conditions of appointing and recalling Management Board members and their powers, in particular, the right to make decisions on issuing or purchasing shares.

The Company's Management Board members are appointed and recalled by the Company's Supervisory Board. The powers and rules of operation of the Management Board of CCC S.A. are set out in the following documents:

- 1) the Company's Statute, available on the Company's website
- 2) Management Board Regulations, available on the Company's website
- 3) Commercial Companies Code.

An issue of new shares may take place after an appropriate resolution is adopted by the General Meeting of the Company and results in a share capital increase. The provisions of the Commercial Companies Code and provisions on the public offering and on the conditions of introducing financial instruments to organised trading and on public companies apply to issues of new shares and share purchases.

Terms of amending the Issuer's statute.

The provisions of the Commercial Companies Code apply accordingly to any amendments of the statute. To amend the company's statute, a resolution of the General Meeting of Shareholders must be adopted by a majority of % votes and an entry must be made in the National Court Register. The Company's Supervisory Board may, in accordance with the authorisation granted to it by the General Meeting, determine a uniform wording of the amended statute or introduce other editorial changes set out in the resolution of the General Meeting.

The resolution amending the statute becomes effective once it is entered into the National Court Register.

The General Meeting and its fundamental powers, together with a description of the shareholders' rights and their exercise.

The General Meeting operates on the basis of the Company's Statute and General Meeting By-laws, published by the Company *inter alia* on the website of CCC S.A. and to the extent not governed by the above documents, on the basis of the Commercial Companies Code.

Convening a General Meeting of Shareholders:

- 1) General Meetings of Shareholders may be ordinary or extraordinary.
- 2) General Meetings of Shareholders are held at the Company's offices, in Warsaw or in Wrocław, at a time and location specified in the announcement convening the General Meeting.
- 3) Ordinary General Meetings are held annually, within six months from the lapse of the financial year.
- 4) Information on convening a General Meeting, listing the date and location (day and time) is published by the Management Board in the form of a current report and published on the Company's website.

30. Statement by the Management Board of CCC S.A. on the application of corporate governance principles in CCC S.A. in 2014 (continued)

Powers of the General Meeting of Shareholders:

The powers of the General Meeting, in addition to all matters related to the Company's business activity and matters set out in the applicable laws, with the exception of real property purchase and disposal, perpetual usufruct or share in real properties, include:

- 1) Appointing and recalling Supervisory Board members
- 2) Approving Supervisory Board By-Laws
- 3) Determining the rules of remuneration for the Supervisory Board
- 4) Determining the remuneration for members of the Supervisory Board delegated to perform day-to-day supervision individually.

The powers of the General Meeting are set forth in the following documents:

- 1) the Company's Statute, available on the Company's website
- 2) By-Laws of the General Meeting of CCC S.A., available on the Company's website
- 3) Commercial Companies Code

Taking into account Best Practices for Public Listed Companies.

Holding a General Meeting of Shareholders:

- 1) A General Meeting of Shareholders is opened by the Chairman of the Supervisory Board or a person authorised thereby. The Chairman or its nominee determines that a Chairman of the General Meeting be elected.
- 2) The person opening the General Meeting ensures that the Chairman of the General Meeting is elected immediately. The Chairman manages the work of the General Meeting and ensures that the meeting is expedient and that the rights and interests of all shareholders are respected.
- 3) The General Meeting adopts resolutions only on matters included in the agenda.
- 4) Members of the Supervisory and Management Board of the Company and the auditor should, within the bounds of their powers and to the extent required for the matters being resolved and discussed by the General Meeting, provide participants of the Meeting with information and clarifications regarding the Company.
- 5) The General Meeting is minuted by a notary.

Voting:

- 1) Voting at the General Meeting occurs via open ballot. Secret ballot voting is effected at elections and for votes with respect to recalling members of the Company's governing bodies, with respect to action being brought against them, as well as in personal matters. Moreover, secret ballot votes are effected at the request of at least one shareholder or its representative
- 2) The General Meeting may appoint a Vote Review Committee, which will be responsible for overseeing each vote, monitoring computer support (if a vote is conducted using electronic solutions) and determining the results of a vote and providing them to the Chairman of the General Meeting.
- 3) One share entitles to one vote at the General Meeting. In the case of preferred A₁ series shares (registered preferred share), one share carries two votes.
- 4) The Chairman of the General Meeting announces the results of the vote, which will then be recorded in the minutes of the meeting.

The composition and changes thereto in the last financial year and a description of the governing, supervisory or managing bodies of the Issuer as well as their committees.

Management Board:

The Management Board of the Company is composed of at least one and no more than seven members appointed and recalled by the Supervisory Board for a four-year term.

As on 31 December 2014, the Management Board of the Company was composed as follows:

Dariusz Miłek	-	President of the Management Board
Mariusz Gnych	-	Vice-President of the Management Board
Piotr Nowjalis	-	Vice-President of the Management Board

30. Statement by the Management Board of CCC S.A. on the application of corporate governance principles in CCC S.A. in 2014 (continued)

The powers and rules of operation of the Management Board of CCC S.A. are set out in the following documents:

- 1) the Company's Statute, available on the Company's website
- 2) Management Board Regulations, available on the Company's website
- 3) Commercial Companies Code.

Supervisory Board:

The Supervisory Board is composed of at least five and no more than seven members, appointed by the General Meeting for a two-year term. The Supervisory Board meets as necessary, but no less than three times per financial year and its meetings are convened by the Chairman.

As on 31 December 2014 the Supervisory Board of the Company was composed as follows:

Henryk Chojnacki	-	Chairman of the Supervisory Board
Martyna Kupiecka	-	Member of the Supervisory Board
Marcin Murawski	-	Member of the Supervisory Board
Wojciech Fenrich	-	Member of the Supervisory Board
Jan Rosochowicz	-	Member of the Supervisory Board

On 26 June 2014 the General Meeting of Shareholders appointed the Supervisory Board for another term of office (RB 38/2013) in the above-mentioned composition.

The powers and rules of operation of the Supervisory Board of CCC S.A. are set out in the following documents:

- 1) the Company's Statute, available on the Company's website
- 2) Supervisory Board By-Laws, available on the Company's website
- 3) Resolutions of the Company's General Meeting
- 4) Commercial Companies Code and other applicable laws.

The corporate documents of CCC S.A. are available on the Company's website at:

<http://firma.ccc.eu/pl/ladkorporacyjny>

Signatures of All Members of the Management Board		
Dariusz Miłek	President of the Management Board	
Mariusz Gnych	Vice-President of the Management Board	
Piotr Nowjalis	Vice-President of the Management Board	

Polkowice, 30 April 2015