

**ANNUAL STATEMENTS
ON OPERATIONS OF CCC S.A.
FOR 2015**



CCC
SHOES & BAGS



TABLE OF CONTENTS

1. Operations of Company CCC	4
Selected financial data	6
1.1 General information	8
1.2 Products and brands	12
1.3 Business model	24
1.4 Listing of shares on the Warsaw Stock Exchange	28
2. Strategy of the Group CCC – execution and development plans	32
2.1 Mission and strategy	34
2.2 Implementation of the strategy for years 2013 – 2015	36
2.3 Strategy for 2016 – 2017	42
2.4 Development prospects	46
3. Analysis of financial results of the Company CCC	48
3.1 Analysis of selected financial and operating data	50
3.2 Management of financial resources and financial liquidity	62
3.3 Information on agreements concluded by the Company CCC S.A.	70
3.4 Purchase of the company eobuwie.pl	74
4. Organization of the Capital Group CCC	78
4.1 Structure of the Capital Group	80
4.2 Share capital and shareholders	84
5. Shares of CCC S.A. on the Stock Exchange in Warsaw.	90
6. Corporate governance	98
6.1 Applied set of corporate governance principles	100
6.2 General Meeting of CCC S.A.	106
6.3 Managerial and supervisory persons and their committees in CCC S.A.	110
6.4 Remuneration of the executive management of CCC S.A.	122
6.5 Risk management	126
7. Employees	132
7.1 Employment structure	134
7.2 Development programs for employees	138
8. Commitment of CCC	142
9. Statements of Management Board	148
9.1 Statement on the fairness financial statements preparation	150
9.2 Statement and information on the entity authorized to audit financial statements	151
10. Other information.	152

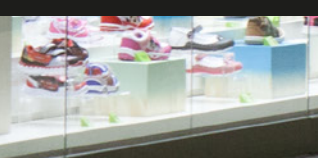
1. OPERATIONS OF COMPANY CCC



CCC



CCC
SHOES & BAGS



SELECTED FINANCIAL DATA

Selected data from the separate statement of profit or loss and other comprehensive income, separate statement of financial position and the separate statement of cash flows were calculated into euro in accordance with the prevailing conversion method:

- individual items of assets and liabilities in the statement of financial position were calculated at the exchange rate prevailing on the last day of the reporting period:

exchange rate on 31.12.2015 amounted to EUR 1 – 4.2615 PLN

exchange rate on 31.12.2014 amounted to EUR 1 – 4.2623 PLN

- individual items of the statement of profit and loss and other comprehensive income and statement of cash flows were calculated at exchange rates representing the arithmetic average of exchange rates announced by the Polish National Bank for EUR prevailing on the last day of each month during the reporting period:

the average exchange rate in the period
01.01.2015 – 31.12.2015 was EUR 1 – 4.1848 PLN

the average exchange rate in the period
01.01.2014 – 31.12.2014 was EUR 1 – 4.1893 PLN

The conversion was made in accordance with the previously indicated exchange rates by dividing the values expressed in millions of zlotys by the exchange rate.

OPERATIONS OF COMPANY CCC

[in mln PLN unless otherwise stated]

FINANCIAL ACTIVITY	IN MLN PLN		IN MLN EUR	
Selected data from the statement of profit or loss and other comprehensive income	2015	2014	2015	2014
Sale revenue	1 673,9	1 695,9	400,0	404,8
Retail activity	1 438,4	1 398,8	343,7	333,9
Other activity	235,5	297,1	56,3	70,9
Gross sale profit (loss)	486,8	699,7	116,3	167,0
Gross sale margin	29,1%	41,3%	29,1%	41,3%
Operating profit	40,1	132,6	9,6	31,7
Profit before tax	297,1	141	71,0	33,7
NET PROFIT	288,4	115,8	68,9	27,6
Selected data of the statement of financial position	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Fixed assets	459,9	453,3	107,9	106,4
Current assets, including:	578,2	515,2	135,7	120,9
Inventories	116,2	228,3	27,3	53,6
Cash	180,8	59,0	42,4	13,8
TOTAL ASSETS	1 038,1	968,5	243,6	227,2
Non-current liabilities including:	237,4	245,8	55,7	57,7
Debt liabilities	210,0	216,0	49,3	50,7
Current liabilities including:	145,8	267,9	34,2	62,9
Debt liabilities	23,5	44,3	5,5	10,4
TOTAL LIABILITIES	383,2	513,7	89,9	120,5
EQUITY	654,9	454,8	153,7	106,7
Selected data from the statement of cash flows	2015	2014	2015	2014
Net cash flows from operating activities	369,8	(60,6)	88,4	(14,5)
Net cash flows from investing activities	(114,2)	(179,0)	(27,3)	(42,7)
Net cash flows from financing activities	(133,8)	214,0	(32,0)	51,1
TOTAL CASH FLOWS	121,8	(25,6)	29,1	(6,1)
OPERATING DATA	IN MLN PLN		IN MLN EUR	
Number of stores CCC	410	405		
Floor space of CCC [thousand m ²]	186,8	166,9		
Number of stores BOTI and LASOCKI	8	42		
Floor space of BOTI and LASOCKI [thousand m ²]	1,1	6,0		
Capital expenditures [in millions]	-69,2	-59,7	-16,5	-14,3
Average revenue per m ² of floor space ^[1]	8,18	8,74	2,10	2,40

[1] Revenue per 1 m² in surface area is calculated as the sum of quotients of monthly revenue of CCC stores and their space m² at the end of the month

1.1 GENERAL INFORMATION

1.1.1 GENERAL INFORMATION ABOUT THE COMPANY

The company CCC S.A. (the „Company“, „Issuer“) is the parent company and, together with 15 subsidiaries, forms the Capital Group CCC S.A. Its main task is the distribution of goods on Polish territory through its own sales network.

The company CCC S.A. is a leader in the Polish retail footwear market, with a market share estimated at about 20%. It has more than 400 stores CCC located in modern shopping centres and shopping malls in Poland, it employs more than 6 000 employees and sells 18 million pairs of shoes per year. In January 2016, the Company acquired a controlling stake in eobuwie.pl S.A. and acquired for the Group top class expertise in e-commerce, thereby allowing the purchase of their goods in the online channel.

The company CCC S.A. has been listed on the Warsaw Stock Exchange S.A. since 2004. Since December 2015 to be included in the index of the largest companies, the WIG 20. The capitalization of the company at the end of 2015 amounted to 5.32 billion PLN and increased by about 5 billion PLN in comparison to the IPO.

The business activity of the Company after organizational restructuring made in 2014 covers the following areas:

- retail sales of footwear, handbags, accessories and fancy goods through its own distribution network in the territory Polish,
- sublease of commercial space
- holding operations and providing logistic and accountancy services for CCC.eu sp. z o.o.

1.1.2 FACTORS AND EVENTS EFFECTING THE ACHIEVED RESULTS OF CCC S.A.

MACROECONOMIC DEVELOPMENT IN POLAND:

The company CCC S.A. operates in the Polish market. The main factors that had an impact in the presented reporting period on the financial results were:

- Increase in employment,
- Growth of GDP,
- Increase in net income / disposable income,
- Increase in the level of trust among customers,
- Increase in propensity to consume.

For a long time Poland is recording the economic growth. In the first quarter of 2016 years, GDP growth amounted to 3.6%. A similar result was recorded in 2015. Respectively for the years 2014 and 2013 economic growth in Poland amounted to 3.3% and 1.6%

Important macroeconomic factors that affected the Company's results due to the specific activity was consumer behaviour, in particular the propensity to consume. Economic growth favoured the development of trade – customers were willing to spend large amounts of money on consumer goods.

CHANGES IN CONSUMER PREFERENCES AND CHANGES IN DEMAND

Technological advancement, constantly evolving trends or changes in mode of life significantly influenced the changes in needs and behaviour of customers in the reporting period. Also their preferences changed, including those concerning the form of purchases and therefore CCC Group expanded its operations and enabled customers online shopping (purchase of the online store eobuwie.pl).

OPERATIONS OF COMPANY CCC

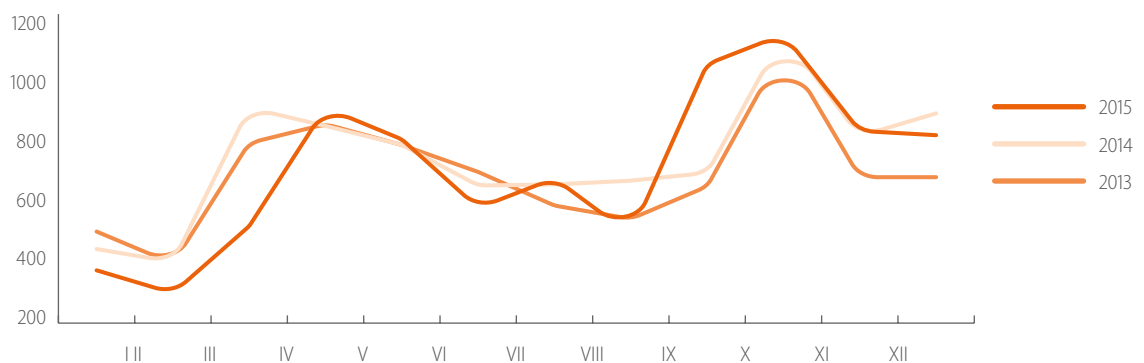
[in mln PLN unless otherwise stated]

SEASONALITY AND WEATHER

A significant impact on the proportion of sales during the financial year had the weather conditions and seasonality (peak demand in spring and autumn). The disorder of weather conditions may result in postponement of customer purchasing decisions or shortening of the season of the highest sales. 2015 was the warmest year in the history of meteorological measurements, which effectively discouraged consumers to make purchases of autumn-winter collection.

[PLN/m²]

Seasonality of revenue in the chain CCC in years 2013–2015



CHANGES OF EXCHANGE RATES

Part of the cost of the company CCC S.A. is denominated in foreign currencies, the exchange rates of USD and EUR have an impact on the structure of cost of sales. Due to the fact that the CCC S.A. sells imported goods, it is exposed to the

risk of changes of exchange rates in USD/PLN. The company also grants loans in foreign currencies, therefore exchange rates of EUR, TRY, BGN, USD will affect the reporting of foreign exchange differences in the statement of profit or loss.

YEAR (USD/PLN)	HIGHEST	LOWEST	END OF PERIOD	AVERAGE
2015	4,0404	3,5600	3,9011	3,7928
2014	3,5458	3,0042	3,5072	3,1784
2013	3,3724	3,0105	3,0120	3,1653

YEAR (EUR/PLN)	HIGHEST	LOWEST	END OF PERIOD	AVERAGE
2015	4,3580	3,9822	4,2615	4,1848
2014	4,3138	4,0998	4,2623	4,1893
2013	4,3432	4,0671	4,1472	4,2210

The Management Board of CCC S.A. informs that during the reporting period, there were no factors and events of unusual nature, having a significant impact on the operations of the Company.



1.2 PRODUCTS AND BRANDS

PORTFOLIO OF THE COMPANY CCC

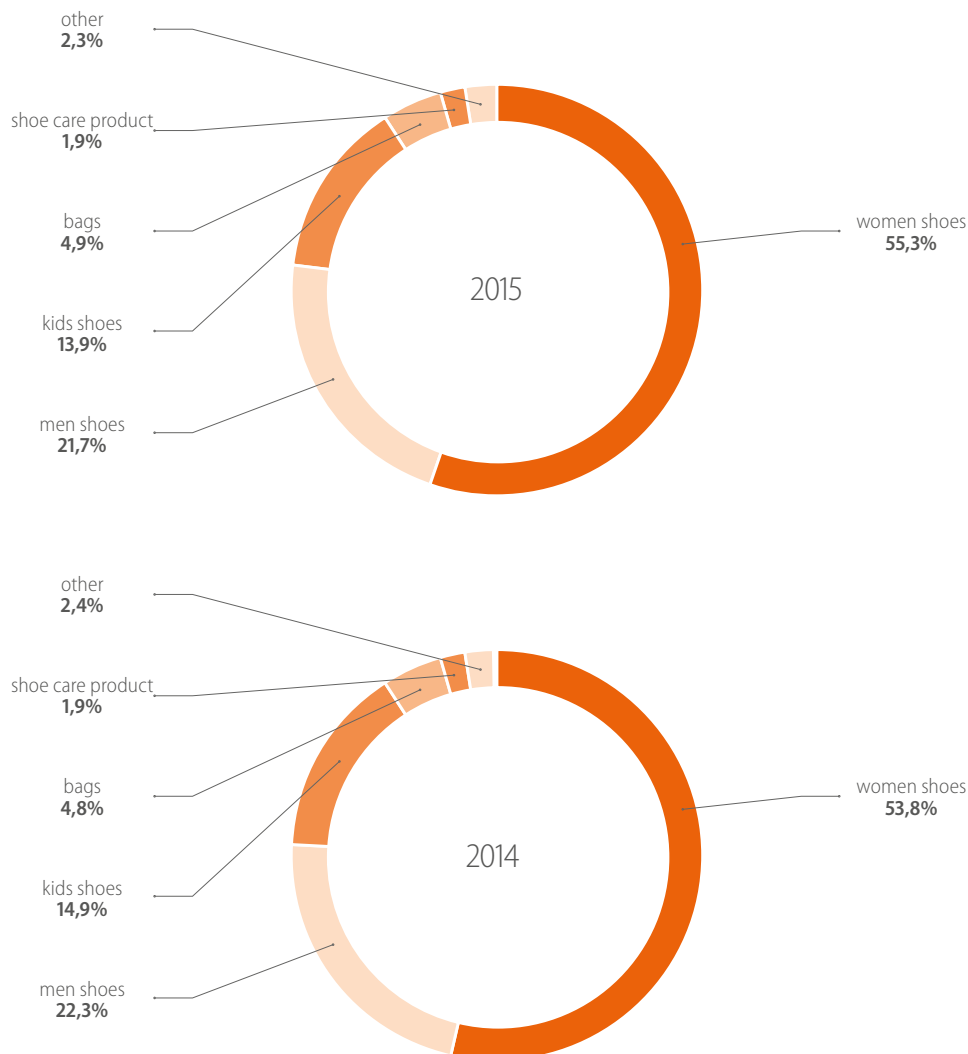
Company CCC S.A. offers its customers a range of products aimed at a broad group of consumers. Besides women, men and kids' footwear, the company offers the opportunity to buy handbags and shoe care products classified in the product structure as the others, in which we can distinguish jewellery, fancy goods, cycling accessories.

Footwear is a basic product of the Company CCC. Customers visiting stores have a choice assortment of products for every occasion – from casual shoes for sports shoes to the elegant leather shoes. The range of products offered to customers, the Company sells under its own brands and licensed brands – a detailed description of the offered brands is presented later in this subsection.

PRODUCT STRUCTURE

Product structure of retail sales remains constant over the years – in 2015 shoes for women accounted for in value approx. 55% of sales; footwear for men is approx. 22%, and kids shoes remained at approx. 14%. Besides footwear, which is the main product, handbags are responsible each year for approx. 5% of sales, shoe care products for approx. 2%.

Product structure of sales of the Company is constantly being expanded, the variety of products offered allows customers to find a product corresponding to their expectations, making the development of the group of product range increase sales revenues. The chart below presents the detailed structure of retail sales in individual groups of product range in 2014 and 2015:





55,3%

WOMEN SHOES

Within the product range of shoes for women, the Company offers its customers: ballerina, boots, slippers and thongs, sport shoes, low boots, sandals, high-heels and sneakers. Individual goods are sold within the group of product range under the following brands: Lasocki, Lasocki Comfort, Sprandi, Jenny Fairy Clara Barson, Bassano, Nylon Red, INBLU and Via Ravia. Sales of women's footwear accounted for 55.3% (60.8% of sales of footwear), the value of sales realized in 2015, in terms of volume was 57.2% of total sales of footwear which gives sales of 10.4 million pairs of shoes sold. Compared with 2014, the sales of women's footwear increased by 5.4%.

MEN SHOES

21,7%

Within the product range of men's footwear, the Company offers its customers: boots, sports shoes, low boots, sandals and sneakers. Individual goods are sold within the group of product range under the following brands: Lasocki for men, Sprandi, Gino Lanetti, Vapiano and Cesare Cave. Sales of men's shoes accounted for 21.7% (23.9% of sales of footwear), the value of sales realized in 2015, in terms of volume was 18.4% of sales of footwear which gives sales of 3.3 million pairs of shoes. Compared with 2014, sales of men's footwear remained at the same level.



KIDS SHOES

Within the product range of kids's shoes, the Company offers its clients footwear for both boys and girls for every season. Within the subgroups of product range, the footwear is sold under the following brands: Lasocki Lasocki Kids Lasocki Young, Sprandi, Action Boy, Magic Lady, Nelli Blu Nylon Red, Vapiano, Muflon and licensed brand, including Mickey and Friends, Spiderman Ultimate, Violetta, Cars, Frozen, Planes, Star Wars, Fairies, Sofia the first, Princess, Avengers, Finding Dory. Sales from the product range of kids' footwear accounted for 13.9% (15.3% of sales of footwear) of the total value of sales in 2015 in terms of volume was 24.4% of sales of footwear which gives sales of 4.4 million pairs of shoes. Compared with 2014, sales of children's footwear fell by 2.3%.

13,9%





4,9%

BAGS

within this group of product range, The company offers its customers bags made of synthetic materials, sold under the brand names Jenny Fairy and Lasocki casual for men. Sales of bags accounted for 4.9% of total sales in 2015 resulting in 0.9 million of units of sold bags. Compared with 2014 sales of bags increased by 4.8%

Within the product range of shoe care products, the Company sells products for shoe care. Sales of the group of product range of shoe care products accounted for 1.9% of total sales. Compared with 2014, sales of cosmetics increased by 2.3%.

1,9%

**SHOE CARE
PRODUCTS**

2,3%

OTHER



within the product range of the others, the Company sells, among others, the following products: jewellery, fancy goods, cycling accessories. Sales of the group of product range of other products accounted for 2.3% of total sales.



OPERATIONS OF COMPANY CCC

[in mln PLN unless otherwise stated]



SPRANDI is a brand designed for active families and young and open people who enjoy hanging out and relax outdoors. It is for people who walk a lot and need comfortable and functional footwear at a reasonable price.

Ideal for a bike trip, picnic, walk in the park as well as for everyday walking around the city for the younger who are looking for footwear of a lifestyle character.

Offers brand meets the needs of a broad target group.

Expressive design, a lot of colour and comfort is the basic characteristics of Sprandi shoes.

**FAMILY RECREATION
AND URBAN STYLE**

Comfortable, branded sports shoes

WOMEN'S PRODUCTS

LASOCKI

SINCE 1954

- high quality, attention to detail, style, elegance and comfort
- high-quality leather
- competitive prices

WOMEN

- approx. age of 20 – 55
- medium and high income
- open, active, caring for physical condition seeking uniqueness, originality
- who value quality, style, comfort
- the price is of secondary importance

Jenny fairy

- good quality, variety, fashionable styles
- innovative materials (Eco-leather, textiles)
- reasonable prices

WOMEN

- approx. age of 14 – 60
- medium and low income
- open, active up-to-date
- seeking aesthetic, fashionable styles
- who value diversity and style
- at reasonable prices

Clara Barson

CLASSIC STYLE

- satisfactory quality, functionality, comfort
- various materials
- low prices

WOMEN

- approx. of age 35 – 70 or more
- low income
- traditionalists
- seeking comfortable, practical, proved models
- who value comfort and functionality
- at affordable prices

MEN'S PRODUCTS

LASOCKI

- Polish premium brand with tradition
- high-quality leather
- competitive prices
- classic styles and smart casual

MEN

- approx. age of 25 – 75
- of average and high income
- confident, caring about their appearance, "the contents of the closet," escaping from the "mediocrity", valuing quality, style, comfort
- making rational choices – weigh value for money

Cesare Cave

- good quality, spring – summer styles
- genuine leather
- handsewn
- reasonable prices

MEN

- approx. age of 35 – 80
- average income
- who appreciate the freedom and ease
- looking for comfortable, airy and reliable models for spring and summer at affordable prices

VAPIANO

- good quality, spring – summer styles
- genuine leather
- handsewn
- reasonable prices

MEN

- approx. age of 20 – 80
- of average and low income
- needing footwear for of more formal styles for special occasions, several times a year, or for everyday work
- a purchasing driver is primarily the price, the issue of the material is of second importance

GINO LANETTI

- economic, slightly sporty urban footwear
- casual
- low boots, sandals, flip-flops
- low prices

MEN

- approx. age of 18 – 65
- of average and low income
- seeking comfortable shoes at an affordable price for everyday activities
- paying attention to the appearance of the shoe more than the material from which it is made

KID'S PRODUCTS

**LASOCKI
YOUNG**

- high quality, attention to detail and pro – health
- functionality and comfort
- modern design
- high-quality leather
- competitive prices

**LASOCKI
KIDS**

PARENT

- average and high income
- open, active, caring about their health and their own family
- key features of kids' shoes is ease, comfort, health aspect and functionality
- who appreciate quality, comfort and style
- price is of secondary importance

Magic Lady
* for young fashion lovers *

ACTION BOY
SUPER SHOES


NelliBlu

- diversity – a rich ornamentation and a multitude of colours
- casual models (slightly sporty for boys) and occasional (e.g. booties for girls)
- different materials (genuine and eco – leather, textiles)
- low prices

PARENT

- middle and low income
- open, active, up-to-date
- seeking comfortable, aesthetic, and even extravagant styles for different occasions
- valuing diversity and colourfulness and respecting the tastes of children
- believing that children grow rapidly and destroy shoes, so the quality is a secondary issue
- very important low price

Disney

MARVEL

- licensed ornaments in accordance with children's trends (cartoons, movies, games, etc.).
- casual models and slightly sporty (e.g. sneakers)
- various materials
- reasonable prices

PARENT

- middle and low income
- seeking comfortable, but eye-catching footwear for children
- fulfilling the dreams of little ones
- appreciating colourfulness and fun, less important quality
- reasonable prices

ANNUAL STATEMENTS ON OPERATIONS OF CCC S.A.

OPERATIONS OF COMPANY CCC

[in mln PLN unless otherwise stated]

1.3 BUSINESS MODEL

1.3.1 DISTRIBUTION

MARKET ENVIRONMENT

The current economic situation in Poland is stable with moderate growth prospects. The level of GDP per capita, is steadily increasing and in 2015 reached the level of 25.7 thousand USD. Currently, the one of the lowest levels of unemployment is being recorded, which in 2015 amounted to approx. 10% (at the end of 2016 the unemployment rate is predicted to be 9%). In the reporting period there were no changes in tax rates applicable to the goods of the Company. In connection with the above macroeconomic data and planned changes in social policy of the government (program 500+), a disposable income of consumers is expected to increase. In Poland, the key competitor of CCC is, Deichmann.

RETAIL SALE

Retail sales are conducted within the chain of own and agency stores in Polish territory. In 2015 CCC S.A. continued its efforts to close the small-format stores of BOTI and LASOCKI, focusing on the development of the sales network of CCC. The total number of own and agency stores of CCC as of 31 December 2015 amounted to 410. The average size of space floor of these stores increased by 44 m² to 456 m² (412 m² in 2014). The total space floor of own and agency stores on 31 December 2015 amounted to 186.8 thousand m² and increased by 12% compared to 2014 (166.9 thousand m²). Revenues from retail sales increased by 2.8% to 1,438.4 billion PLN (PLN 1,398.8 billion in 2014) and accounted for 85.9% of total sales.

The following table presents data on the development of its own sales network (data as of 31.12.)

CHAIN	TYPE	2011		2012		2013		2014		2015	
		M ²	NUMBER	M ²	NUMBER	M ²	NUMBER	M ²	NUMBER	M ²	NUMBER
CCC	own	100 929	293	120 722	339	129 858	342	152 602	366	170 346	370
CCC	agency			11 546	36	12 102	37	14 344	39	16 434	40
BOTI	own	29 091	216	19 709	146	9 820	72	4 984	34	712	5
LASOCKI	own	5 031	37	4 608	34	2 504	20	1 052	8	433	3
		135 051	546	156 585	555	154 284	471	172 982	447	187 925	418

OPERATIONS OF COMPANY CCC

[in mln PLN unless otherwise stated]

OTHER SALE

Within this channel, the Company CCC S.A. provides logistic and accounting services for CCC.eu. In 2015, the resale of goods within the framework of intra-group transactions was also made.

ONLINE SALE

Goods sold in CCC stores are also available online. (Sales of the eobuwie.pl since July 2016)

1.3.2 LOGISTICS

Development of the company, the increase in demand for its products and increasing performance requirements of distribution contributed to the realization of the largest in the history of the Group's investment – the building of the Logistics Centre, located in the Legnica Special Economic Zone (SEZ) in Polkowice. Logistic Centre is a modern complex of large-format objects.

The most important object of the Logistics Centre is fully automated mini-load high storage warehouse, with a total area of 23,064 square meters, which is able to accommodate a minimum of 5 million pairs of shoes, more than 500,000 cartons of different dimensions. It is the largest of its kind in Central Europe. Investment in 40% was financed with EU funds through the program of Innovative Economy.

New Distribution Centre, in conjunction with the existing sorting plant is able to handle more than 100,000 cartons (approx. 1.1 million pairs of shoes) during two working shifts. The process of mechanization provides handling for future development and is essential to the further development of logistics processes. In addition, it allows for the optimization of storage space, which is currently 82.3 thousand m².

The result of the made organizational restructuring of CCC S.A. and the Group CCC is to leave the logistics service in the parent company and providing logistics services to a related party.

1.3.3 MANUFACTURING AND SUPPLIERS

The Company CCC.eu Sp. z o.o. is the supplier of goods to the Company CCC S.A. and the whole Group. The company obtains goods from domestic and foreign suppliers and from its own factory (CCC Factory Sp. z o.o.). More information

about the supplies is provided in section 1.3.3. of the Annual statements on the operations of the Capital Group CCC S.A. for the year 2015.



1.4

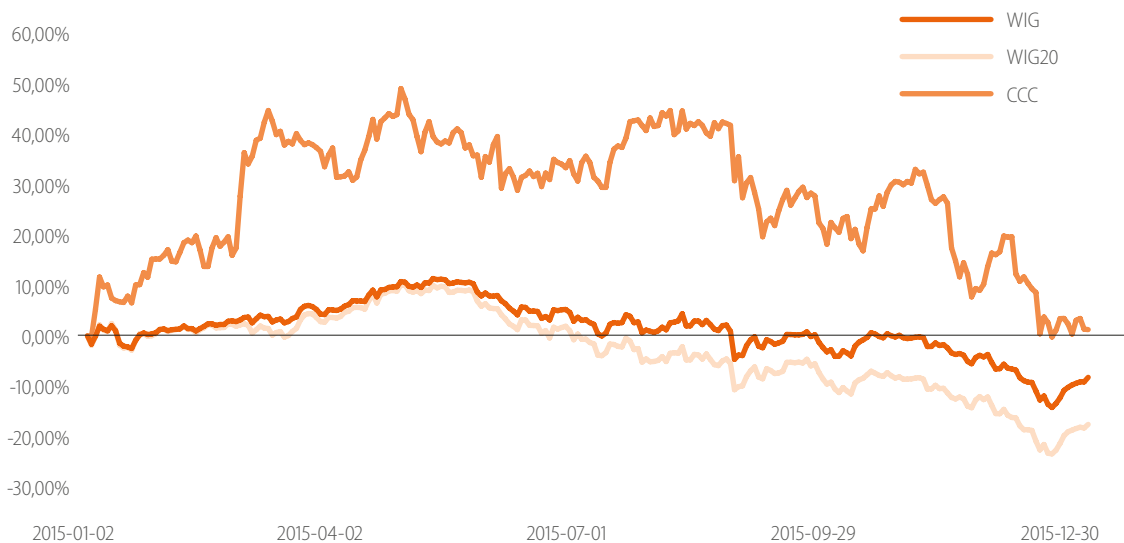
LISTING OF SHARES ON THE WARSAW STOCK EXCHANGE

In 2015, the Company CCC S.A. celebrated its 11th anniversary of listing of its shares on the Stock Exchange in Warsaw – at the end of the year, one share of CCC was valued at PLN 138.55, which was reflected in the capitalization of the Group CCC in the amount of 5.32 billion PLN. The highest share price of the year (closing share price) amounted to 198.90 PLN, and was thus the highest valuation of the shares in the history, while the lowest amounted to 132.00 PLN. The maximum transaction price in 2015 amounted to 203.00 PLN, while the minimum price was 128.05 PLN.

In 2015, the shares of CCC gained in value by 4.7% while the index of WIG and WIG20 in the same period depreciated respectively – 9.6% and – 19.5%.

Since the beginning of first quotation, the price of one share of CCC has increased by over 1,350% from 9.50 PLN (issue price as of 2 December 2004) to the price of PLN 138.55 at the closing of the trading session on 30 December 2015.

CCC allocated 27.4% of the consolidated net profit for 2014 for the payment of dividend to shareholders, i.e. 3.00 PLN per share was paid and the total value of the dividend amounted to 115.2 million PLN. More information on dividends paid is in Chapter 5.



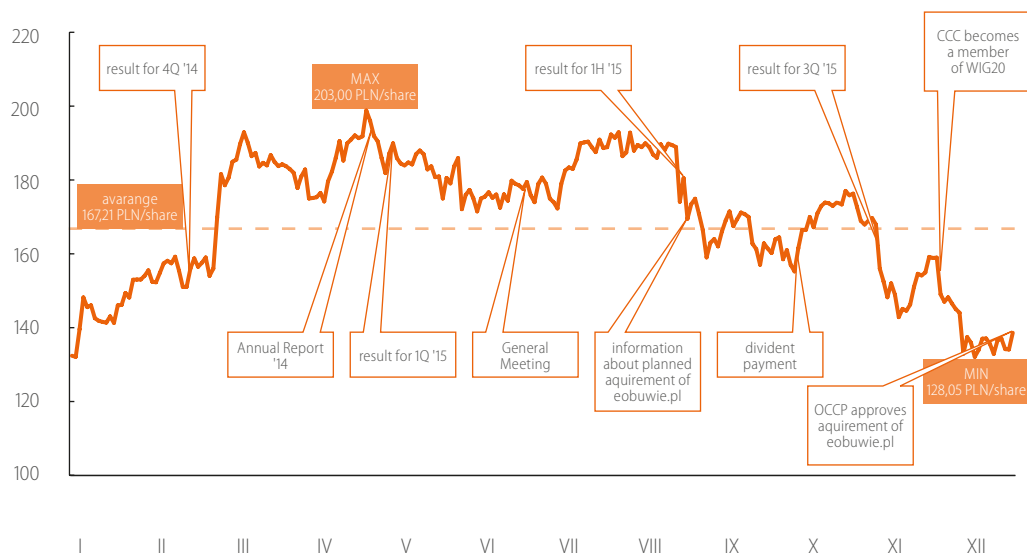
OPERATIONS OF COMPANY CCC

[in mln PLN unless otherwise stated]

Listing of sheres of CCC since IPO until 30 December 2015



The most important events against listing of shares of CCC on WSE in 2015



REPORTING CALENDAR

25 February 2016	Consolidated quarterly report for Q4 2015
28 April 2016	Separate and Consolidated Annual Report for 2015
12 May 2016	Consolidated quarterly report for Q1 2016
25 August 2016	Consolidated report for 1H 2016
10 November 2016	Consolidated quarterly report for Q3 2016

2. STRATEGY OF THE GROUP CCC – EXECUTION AND DEVELOPMENT PLANS





CCC
SHOES & BAGS

2.1

MISSION AND STRATEGY

A key element of the strategy of the Group CCC is to maintain a leading position in the retail footwear in Poland, to become a leader in the Czech Republic, Slovakia and Hungary and acquisition of new foreign markets. The Brand enters a new dimension and creates new horizons of its development, thanks to the recognition in the market environment of the Group, both in Poland and in other countries.

CCC's strategy is built on the basis of a set of unique competencies that build competitive advantage in the European market of retail sales of footwear, which includes:

FAST FASHION

Providing customers of different levels of wealth with few thousand of different models during the season. Short series, a variety of colours, styles and fashions guarantee high attendance rate and frequency of purchases.

VALUE FOR MONEY

The product offer of CCC is very competitively priced, both in the segment of leather shoes and synthetic ones.

OWN BRANDS

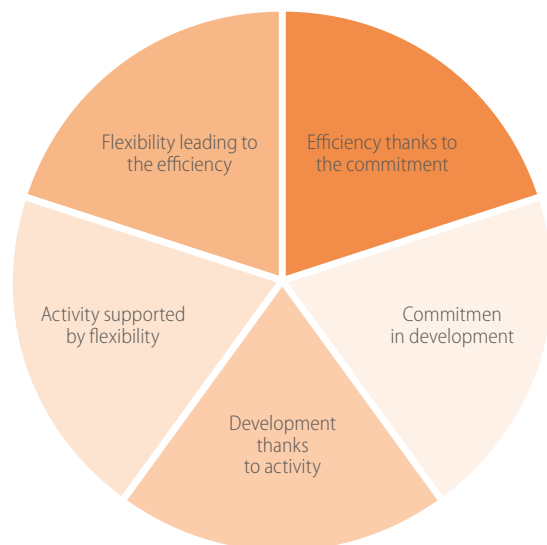
CCC primarily sells its own brands, namely products manufactured either in its own factory in Polkowice or commissioned for outsourcing manufacturing in the Far East. As a result the Group fully controls the production process, quality, logistics, pricing policy, margins and marketing policy.

NECESSARY RESOURCES

- Unmatchable logistics in the footwear industry – fully automated modern logistics center;
- Manufacturing in the country and abroad – CCC Group owns the largest footwear factory in Poland;
- Healthy balance – the share of financial debt to equity ratio remains at a safe level;
- Know-how in designing and building of the collection, management of sales, marketing and HR.

2.1.1 VALUES AND PRINCIPLES OF CONDUCT

Among our values and rules of conduct particularly we appreciate and promote the following attitudes. They specify our policy in relation to the customers surrounding us, our employees and shareholders. Thanks to such attitudes we want to stand out both as an employer, a trading company and a business partner. The following diagram presents the attitudes along with the components that define them. For more information, visit our CCC.eu website. <http://firma.ccc.eu/>



2.2

IMPLEMENTATION OF THE STRATEGY FOR YEARS 2013 – 2015

STRATEGY OF THE GROUP CCC – EXECUTION AND DEVELOPMENT PLANS

[in mln PLN unless otherwise stated]

The year 2015 was the last year of a three-year strategy of foreign expansion announced in August 2012. The company at that time proved that its international aspirations are realistic and reasonable. The strategy, which the Group CCC was guided by in the last three years was as follows:

CCC intends to become the footwear market leader in the Czech Republic, Slovakia and Hungary, and establish its unquestionable position as leader in Poland. In addition to the CEE countries, CCC in 2015 will actively develop its sales network in Slovenia, Croatia, Romania and Bulgaria. The expansion in Austria and Germany will be also implemented. Continuation of the dynamic expansion will result in increasing in the years 2013 – 2015 total floor space by 80%.

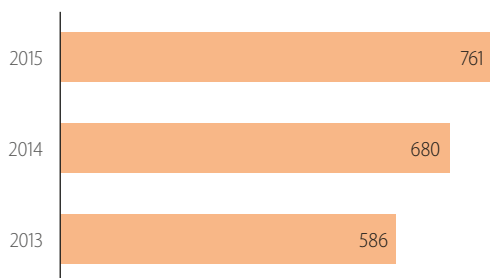
OBJECTIVE	EFFECT ACHIEVED	ASSESSMENT
Gaining the leadership in footwear market in each of the countries of Central Europe.	CCC the largest footwear company in CEE region (PL, CZ, SK, HU, RO, BG).	 
Increase of floor space by almost 80% (over 147 thousand m ² in the period June 2012-December 2015)	Increase of floor space by more than 123% (over 205 thousand m ²).	  
Doubling sales revenue in 2015.	Revenues increased in 2012-2015 from 1.3 billion to PLN 2.3 billion PLN	
Maintaining high profitability while maintaining a high rate of return on equity	Despite the expansion, net margin (cleared) amounted to in 2014-2015, respectively, 11% and 10%, and ROE did not drop below 20%	 

BECOMING A LEADER IN THE FOOTWEAR INDUSTRY IN CENTRAL EUROPE

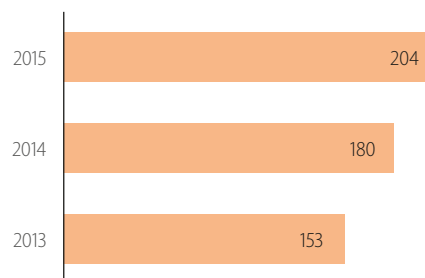
The first element of the Group's strategy was to gain the leading position in each of the markets in Central Europe in which it carries out its operations.



Number of store
in the period 2013–2015



Number of stores in CEE countries
in the period 2013–2015



At the end of December 2015 CCC Group is the largest footwear company in the CEE region – the Group realized a goal through sustained efforts within increasing the floor space and keeping the high profitability.

DOUBLING THE FLOOR SPACE

During the implementation of the strategy one of the main operational objectives of the Group was to increase floor space by 100%, i.e. more than 150 thousand m² in the period from June 2012 to December 2015.



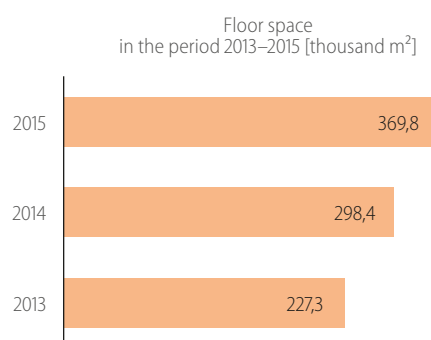
The achieved results far exceeded the assumed objective – the area increased by approx. 123%, which is over 205 thousand m². The Group realized this objective by continuing activities of the following areas

CONTINUATION OF FOREIGN EXPANSION

CCC Group focused its efforts on enlarging floor space in Poland, the Czech Republic, Slovakia, Hungary, Romania and Austria, Slovenia, Croatia, Germany and Turkey. In the period 2013-2015, the Group increased its net floor space of around 196,600 m². In 2015, the estimated increase in net floor space CCC amounted to 71.4 thousand m². In 2014, the net increase amounted to 71.1 thousand m² whereas in 2013, 54.1 thousand m². In 2015, the Group issued on investments in new retail stores approx. 122.8 million PLN.

DEVELOPMENT OF DOMESTIC SALES NETWORK

Development of the network, especially own company stores by opening facilities in new, attractive locations, carefully selected in terms of profitability and return ratio and by expanding the network in regions where it is less present. Gradual enlarging of own existing stores the size of which will exceed even 500 square metres will also be the part of the development.



MAINTAINING HIGH PROFITABILITY AND DOUBLING REVENUE

Another objective, which the Group set itself for the period 2013-2015, was to maintain a high return on equity and doubling revenues.

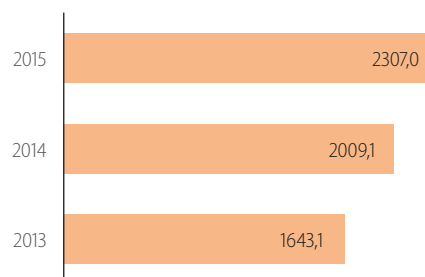


Revenue for the period 2012-2015 increased from 1.3 billion PLN to 2.3 billion PLN. The Group managed to achieve objective in 88%, the main reason was, among others, lower than expected sales in the fourth quarter of 2015 due to warm winter and low demand for autumn-winter collection.

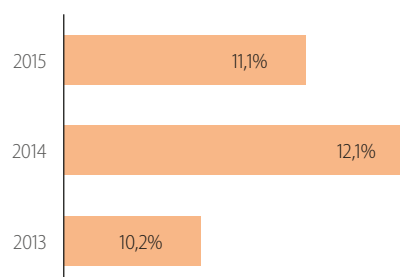
The strategy set out a long-term operating margin at the level of 15-16% and net profitability at the level of 10-13%, whereas return on equity of not less than 20%. Despite intensive expansion in 2013-2015 the operating margin amounted to respectively: 10.2%, 12.1%, 11.1%, net profitability in 2013-2015 was at the level: 7.6%, 20.9%, 11.3% whereas return on equity in 2013-2015 was: 21.2%, 44.1%, 23.1%.

Increasing the scale of activity and at the same time maintaining high efficiency and operating efficiency aims at increasing the value for shareholders of the Group CCC.

Sales revenue
in the period 2013–2015



Operating profitability
in the period 2013–2015



ANNUAL STATEMENTS ON OPERATIONS OF CCC S.A.

STRATEGY OF THE GROUP CCC – EXECUTION AND DEVELOPMENT PLANS

[in mln PLN unless otherwise stated]



2.3

STRATEGY FOR 2016 – 2017

The strategy chosen by the Group for the years 2013-2015 will be continued in the years 2016-2017, and the basic axis of growth are the countries of Central and South-Eastern Europe and the Baltic countries. In addition, CCC Group aims at becoming a leader in online sales of footwear in Central European markets over the next three years.

The strategy for the years 2016 and 2017 was defined on the basis of the three strategic objectives.



STRATEGIC OBJECTIVES FOR THE YEARS 2016-2017 ARE:

- continuation of the very successful expansion into the markets of Central and Eastern Europe and winning a leading position in each national market of footwear in the region;
- achieving over the next two years, i.e. by the end of 2017, sustained profitability in the markets of Austria and Germany;
- utilization of synergies within the Group CCC and winning by eobuwie.pl leading position in online sales of footwear in Central Europe.

CONTINUATION OF EXPANSION

First of all, CCC Group will continue its highly successful expansion in the years 2013-2015 in the markets of Central and Eastern Europe and hopes to win a leading position in each national market of footwear in the region. As a part of this objective the Group in 2016 expects to open a new distribution company in Serbia and the launch of the sale of a franchise in Estonia.

The Group also plans to continue the expansion of its own sales network, thereby strengthening its position in markets where it is already present. Only in 2016 the Group plans to carry out investments in fixed assets with a value exceeding 140 million PLN and intends to increase its stores area of not less than 100,000 net m² (approx. 27% increase), of which:

- approx. 77,000 m² net (110 stores) will be opened outside Poland;
- approx. 23,000 m² net (40 stores) will be opened in the country.

The biggest growth of space Group CCC will record in Poland, Germany, Austria and Romania. All other countries will also have a proportional, high share in the growth of space.

Until the end of 2017 Group CCC intends to enlarge the sales space by 199.2 thousand m², which will lead the Group at the end of 2017 to managing the sales network, with a total area of 560.5 thousand m² and thus having CCC stores in 14 countries in Central Europe and Western Europe.

STRENGTHENING OF THE POSITION IN THE MARKETS OF AUSTRIA AND GERMANY

Another strategic goal is to achieve over the next two years a sustained profitability in the markets of Austria and Germany. The experience gained over two full years of expansion shows that achieving this profitability is possible, but it takes much longer than in the markets of Central Europe. Expected in 2016 the increase of sales „like for like”

in Germany and Austria is respectively 15% and 10%. In Germany and Austria, the Group as of 31 December 2015 owned a total of 78 stores with a total space of 49.6 thousand m². Until the end of 2017 it is planned to increase the area of 53.9 thousand m².

ONLINE SALE

The strategic objective in the area of e-commerce is the use of synergies within the Group CCC and winning by eobuwie.pl a leading position in online sales of footwear in Central Europe. Currently eobuwie.pl sells footwear through its

regional domains in Poland, the Czech Republic, Slovakia, Germany, Romania and Hungary. In 2016 selling will be launched in Bulgaria, Lithuania and Ukraine.



2.4

DEVELOPMENT PROSPECTS

DEVELOPMENT FACTORS	ISSUER'S EXPECTATIONS
the volume of sales achieved in stationary stores and in the channel of e-commerce	the economic situation in the countries in which the Group CCC operates should have a positive impact on revenue generated from sale;
the amount of realized margins and the level of exchange rates	the current macro and microeconomic situation, the level of exchange rates should not have a significant impact on the level of realized margins
weather conditions	changes in climatic conditions have been observed in recent years may have an impact on the financial results; The Group adjusts its collection to the changing environment
changes in the tax law in Poland	the value of any possible trade tax to be paid in 2016 is approximately several million PLN



3. ANALYSIS OF FINANCIAL RESULTS OF THE COMPANY CCC





CCC
SHOES & BAGS

ANNUAL STATEMENTS ON OPERATIONS OF CCC S.A.

ANALYSIS OF FINANCIAL RESULTS OF THE COMPANY CCC

[in mln PLN unless otherwise stated]

3.1

ANALYSIS OF SELECTED FINANCIAL AND OPERATING DATA

3.1.1 FINANCIAL RESULTS OF THE GROUP CCC

3.1.1.1 THE SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenues, cost of goods sold and gross profit on sales

HOW WE DEFINE PARTICULAR ELEMENTS OF THE RESULT

The sales revenues recognize revenues from sales of goods, products and services of a sublease obtained in the normal course of business and revenue from sale of logistical services, accounting services served for CCC.eu sp. z o.o.

As the **cost of goods sold**, the Company recognizes: the value of goods sold, the value of packages sold, the cost of reserves for claims, the cost on sublease services, logistic services, accounting services, inventory impairments.

Gross sale profit is calculated as the difference between sales revenue and cost of goods sold and gross profit margin as the ratio of gross profit to sales revenue from external customers.

In addition, in the analysis we use the size of **revenue per m² of floor space and sales of comparable facilities** – definitions of these measures are included in the particular tables.

At the turn of September and October 2014 organizational and processing restructuring of CCC S.A. was carried out in result of which the separation from the structures of the Issuer of an organized part of the enterprise was made, designed to perform purchasing activities, marketing activities and activities related to the development of the sales network and strategic planning (CCC. eu sp. z o.o.). From 1 October 2014 operational activities of CCC S.A. focuses mainly on retail distribution of goods on Polish territory. Furthermore, the Company CCC S.A. provides logistic and accounting services for CCC.eu.

ANALYSIS OF FINANCIAL RESULTS OF THE COMPANY CCC

[in mln PLN unless otherwise stated]

Our sale revenue was as follows:

	SALE REVENUE ^[1]			REVENUE PER 1 M ² OF FLOOR SPACE (IN THOUSAND PLN) ^[2]	
	2015	2014	CHANGE %	2015	2014
Poland	1 438,40	1 398,80	2,8%	8,18	8,74
Retail activities	1 438,40	1 398,80	2,8%	8,18	8,74
Other activities	235,5	297,1	-20,7%		
Total	1 673,90	1 695,90	-1,3%		

[1] Revenues from sales apply only to sales to external customers.

[2] Revenue per 1m² in floor space is calculated as the sum of quotients of monthly revenue of CCC stores and their floor space of m² at the end of the month

Revenues from sales in 2015 amounted to PLN 1,673.9 million, a decrease of PLN 22 million (-1.3%) compared to the previous year. The decrease in total sales is due to the transfer of powers purchasing and distribution of goods purchased within the Group CCC towards the company CCC.eu. Thus, the other sale in 2015 applies only to sales of logistics services, accountancy services and resale of goods, and not, as was the case until October 2014 sales of purchased goods to the entities constituting the Group CCC.

Revenue per 1 m² of floor space in CCC in 2015 amounted to 8.18 thousand PLN and it was lower by 6.4% compared to the previous year. The value of sales per m² was affected by increasing the floor space of opened stores (average floor space of stores CCC at the end of 2015 amounted to 456 m² and was higher by 10.5% compared to the previous year)

and among others, decline in sales in comparable stores CCC (-2.7%), resulting from lower sales of autumn-winter collection.

Revenues from retail sales in 2015 amounted to PLN 1,438.4 billion, an increase of PLN 39.6 million (+ 2.8%) compared to the previous year. In the same period in Poland the stores CCC with a total space of 30.7 thousand m² was opened and expanded, the facilities with a total space of 15.8 thousand m². In net, in 2015 in Poland floor space increased by 14.9 thousand m², including CCC +19.8 thousand m², BOTI and LASOCKI – 4.9 thousand m². The impact of the change in revenues +39.6 million PLN comparing to the previous year was affected by sales in its own comparable stores CCC – 20.7 million (-2.7%) and sales in other stores +60.3 million PLN (+9.6 %).

Data on the distribution of sales by facilities continuing operations and newly opened or closed are as follows:

	COMPARABLE FACILITIES ^[1]			CHANGE %	COMPARABLE FACILITIES ^[2]	
	NUMBER	2015	2014		2015	2014
Poland	225	751,2	771,9	-2,7%	687,2	626,9

[1] Comparable facilities which operated without interruptions during 2015 and 2014.

[2] All other stores, including: stores newly opened in current or previous year; stores closed in the current or previous year; and stores that had break in the activity.

SALE RESULT

Gross sale profit decreased by 30.4% and amounted in 2015 to 486.8 million PLN. Part of the sale margin, which until the restructuring was recognized in CCC S.A., was transferred to CCC.eu in return for realizing the function, which was taken over by the newly established company.



COST OF OPERATING STORES

HOW WE DEFINE PARTICULAR ELEMENTS OF THE RESULT

Cost of operating stores include the cost of maintenance of stores. This item includes mainly fees under operating lease of premises in which stores are operated; amortization of tangible fixed assets; amortization of intangible assets; the costs of external services; the cost of remuneration for employees of stores; other flat costs.

Cost of operating stores were as follows:

	2015	2014	CHANGE %
Remunerations	107,3	102,3	4,9%
Social security contributions	20,5	19,6	4,6%
Other employee benefits	0,9	0,9	0,0%
Agency services	37,3	33,3	12,0%
Lease costs	175,6	167,2	5,0%
Depreciation and amortisation	19,1	22,8	-16,2%
Taxes and fees	0,1	0,1	0,0%
Other flat costs	24,8	73,5	-66,3%
Total	385,6	419,7	-8,1%

The costs of operating stores decreased by 34.1 million PLN and amounted in 2015 to PLN 385.6 million. With the market expansion and the opening of new retail facilities we experienced the biggest increase of items store cost such as rental costs (+PLN 8.4 million) and staff costs (+PLN 5.1 million). The decrease in „other flat costs” resulted mainly from the division of powers during the restructuring of the Group, namely in 2015 licensing fees from trademarks CCC, BOTI LASOCKI purchased by CCC.eu was not collected (-20.4 million PLN) and the costs of transport services, according to the agreement, charged the company CCC.eu (-18.9 million PLN).

THE IMPACT OF OTHER INCOME AND COSTS

HOW WE DEFINE PARTICULAR ELEMENTS OF THE RESULT

Other cost of sale include the costs of organizational units supporting sale and development of the sales network, including cost of expansion division, regional managers, the cost of logistics division, marketing.

Administrative expenses include expenses relating to management of all operations of the Company (the cost of financial and accounting divisions, administration, costs of the Management Board) and general expenses.

Other operating income and operating costs include income and expenses from non-core business activities of the operating units, e.g. profit or loss on disposal of tangible fixed assets, penalties and fines, donations, etc.

Finance income includes the following items: interest income from current account and others; the result on exchange rate differences and other financial income.

Finance cost includes the following costs: interest on loans; commissions paid and other financial costs.

Income tax includes accrued tax and deferred tax.

Other cost of sales and administrative expenses in 2015 amounted to 56.9 million PLN and were lower by PLN 85.2 million in the previous year. The decrease in costs is a result of the restructuring and the transfer of functions and costs related to the company CCC.eu.

Other operating costs and revenues on a net basis amounted to 4.2 million PLN on the income side (including + 3.3 million PLN of a grant from PFRON) compared to 5.3 million PLN in the previous year on the cost side (including 5.1 million of a loss on disposal of fixed assets).

As a result of the factors described above, CCC received operating result in 2015 in the amount of PLN 40.1 million, which compared to the same period of 2014 years was lower by 70%. The decrease in profit, as mentioned before, is the result of restructuring changes in CCC S.A., among others, the acquisition by CCC.eu costs associated with purchasing, marketing and a part from sales margin.

FINANCE INCOME AND COSTS

In 2015, finance income amounted to 269.5 million PLN and compared to the previous year were higher by 240.4 million PLN. The main item making up finance income in the reporting period was the income from the reduction of the share capital of NG2 Suisse (78% of the total value of finance income), which amounted to 209.4 million PLN – in the same period of the previous year there was no similar transaction. Other items of finance income was the dividend received from NG2 Suisse (PLN 50.7 million), income on interest (PLN 5.7 million) and other finance income (PLN 3.7 million).

In 2015, finance costs amounted to 12.6 million PLN and in comparison with the previous year were lower by 8.2

million PLN. The main item making up the finance costs in the reporting period were interest on bonds and loans (72% of total finance costs), which amounted to PLN 9.1 million PLN and were lower by PLN 9.0 million regarding the previous year. The decrease in interest costs is a result of the restructuring made and transfer of credit agreements to CCC.eu.

Income tax in 2015 amounted to 8.7 million PLN [including 1.4 million PLN as of a deferred part]

After taking into account finance income and costs and income tax, the net profit amounted to 288.4 million PLN and was 149.1% higher than in 2014.

3.1.1.2 STATEMENT ON FINANCIAL POSITION (OVERVIEW OF MAIN ITEMS)

Overview of the main items of our statement of financial position is as follows:

	2015	2014	CHANGE %
Fixed assets, and including:	459,9	453,3	1,5%
Tangible fixed assets	316,1	288,7	9,5%
Deferred tax assets	5,8	4,4	31,8%
Current assets, and including:	578,2	515,2	12,2%
Inventories	116,2	228,3	-49,1%
Cash and cash equivalents	180,8	59,0	206,4%
TOTAL ASSETS	1 038,1	968,5	7,2%
Non-current liabilities, and including:	237,4	245,8	-3,4%
Debt liabilities	210,0	216,0	-2,8%
Current liabilities, and including:	145,8	267,9	-45,6%
Debt liabilities	23,5	44,3	-47,0%
Liabilities to suppliers and other liabilities	119,3	217,6	-45,2%
TOTAL LIABILITIES	383,2	513,7	-25,4%
EQUITY	654,9	454,8	44,0%

FIXED ASSETS

HOW WE DEFINE PARTICULAR ELEMENTS OF THE ASSETS

Tangible fixed assets include: investments in external fixed assets (namely, outlays in leased premises serving retail sales of goods); fixed assets used in the distribution activity and other.

Deferred tax assets and liabilities are recognized (i) as a result of a discrepancy between the book values of assets and liabilities and the corresponding tax values, and (ii) in respect of unsettled tax losses.

Fixed assets as of 31 December 2015 consisted of tangible fixed assets (316.1 million PLN), intangible assets (2.4 million PLN), loans granted (10.9 million PLN), investments in subsidiaries (124.7 million PLN) and deferred income tax assets (5.8 million PLN). The value of fixed assets compared to 31 December 2014 increased by 1.5% to 459.9 million

PLN, which the main reason was an increase in capital expenditures related to the opening of new stores during the financial year (+27.4 million PLN), an increase in investment in subsidiaries (+17.5 million PLN) and the decline in long-term loans (-36.4 million PLN).



CURRENT ASSETS

HOW WE DEFINE PARTICULAR ELEMENTS OF THE ASSETS

Inventories are recognized at purchase price or net sale price, depending on which of these amounts is lower.

In the event of circumstances as a result of which there was a decrease in the value of inventories, **impairment loss** is made in cost of goods sold.

Cash and cash equivalents include cash in hand and bank deposits payable on demand.

Current assets as of 31 December 2015 amounted to 578.2 million PLN and consisted of inventories (116.2 million PLN), cash and cash equivalents (180.8 million PLN), loans granted (200.2 million PLN) and customer receivables and other receivables (81.0 million PLN). The value of current assets compared to 31 December 2014 increased by 12.2% from 515.2 million PLN, the main reason of which was the increase in loans granted to subsidiaries (+93.8 million PLN) and a decrease in inventories (-112.1 million PLN).

In 2015, the Company created an impairment loss on inventories at the stores in the amount of 2.1 million PLN, whereas in the previous year the impairment amounted to PLN 7.3 million (decrease by 71.2%) and was related to the inventories in warehouses and stores.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Group CCC as of 31 December 2015 amounted to 180.8 million PLN, increasing by 121.8 million PLN regarding the end of 2014. At the end of

2015, 10.5% in cash was in hand and in bank accounts, and 89.5% was located on short-term deposits.

DEBT CAPITALS AND LIABILITIES

HOW WE DEFINE PARTICULAR ELEMENTS OF THE ASSETS

Equity is recognized in the accounting books by their following types: basic capital (share capital); reserve capital; retained earnings; and other capitals.

Debt liabilities consist mainly of bank loans and issued bonds.

Trade liabilities are classified as current liabilities if payment is due within one year. Otherwise, liabilities are recognised as non-current. Trade liabilities are valued at the amount due.

As of 31 December 2015 the equity of CCC compared with the end of 2014 increased by 200.1 million PLN (44.0%), mainly due to the transfer of the profit for 2015s (+288.4 million PLN) to retained earnings with the dividend payment at the same time for 2014 in the amount of 115.2 million PLN.

Non-current liabilities as of 31 December 2015 amounted to 237.4 million PLN, decreasing by 8.4 million PLN (-3.4%) from the level of 245.8 million PLN as of 31 December 2014. The total amount of non-current liabilities at the end of 2015 consisted mainly of non-current debt liabilities 210.0 million PLN; provisions of a value of 1.3 million PLN and received grants, which amounted to 26.1 million PLN.

Current liabilities as of 31 December 2015 amounted to 145.8 million PLN, decreasing by 122.1 million PLN (-45.6%) from 267.9 million PLN as of 31 December 2014. The total amount of current liabilities at the end of 2015 consisted of debt liabilities (23.5 million PLN); liabilities to suppliers, which amounted to 86.2 million PLN (a decrease of 48.5% compared to the end of 2014); other liabilities, which amounted to 33.1 million PLN (a decrease of 11.5% compared to the end of 2014); provisions, which amounted to PLN 0.4 million (a decrease of 88.2%); and grants, which amounted to 2.6 million PLN and remained unvaried compared to end of 2014.

Debt liabilities are discussed in section 3.2.1. „Debt and liquidity of the Group CCC”.

3.1.1.3 STATEMENT ON CASH FLOWS (OVERVIEW OF MAIN ITEMS)

	2015	2014	CHANGE %
Gross profit before tax	297,1	141,0	110,7%
Adjustments	-0,1	32,30	-100,3%
Income tax paid	-28,6	-12,6	127,0%
Cash flows before changes in working capital	268,4	160,7	67,0%
Changes in working capital	101,4	-221,3	-145,8%
Cash flows from operating activities	369,8	-60,6	<-200 %
Cash flows from investing activities	-114,2	-179,0	-36,2%
Cash flows from financing activities, including:	-133,8	214,0	-162,5%
Dividends paid	-115,2	-61,4	87,6%
Total cash flows	121,8	-25,6	<-200 %

NET CASH FLOWS ON OPERATING ACTIVITIES

Net cash flows on operating activities in 2015 amounted to 369.8 million PLN, increasing by 430.4 million PLN in relation to 2014. This increase was primarily due to changes in working capital, which in regard to the end of 2014 was lower by 322.7 million PLN, which was the main reason for decline in inventories by 352.7 million PLN (result of restructuring linked to the acquisition by CCC.eu of powers of supplying goods of the Group CCC).

NET CASH FLOWS ON INVESTING ACTIVITIES

Net cash flows on investing activities in 2015 amounted to – 114.2 million PLN. The amount of this was affected by, among others, increase in expenditure on tangible fixed assets related to the implementation strategy of market expansion and enlargement of floor space in Poland – the expenditure in 2015 amounted to 69.2 million PLN and were 9,5 million PLN higher than in 2014 and the change in loans granted by + 53.5 million PLN. More information on loans is presented in section 3.3.1. „Loans”.

NET CASH FLOWS ON FINANCIAL ACTIVITIES

Net cash flows on financial activities in 2015 amounted to PLN – 133.8 million, decreasing by 347.8 million PLN from 214.0 million PLN achieved in 2014. The main reason for the change was the change in debt cash (-300.8 million PLN compared to the previous year, taking over of part of financing by CCC.eu) and an increase in the dividend payment of 53.8 million PLN to 115.2 million PLN.

More information about net cash flows from financial activities is presented in section 3.2.1. „Debt and liquidity of the Company CCC S.A.”

Taking into account the abovementioned cash flows, the Company CCC completed the year 2015 with the level of cash 180.8 million PLN, an increase of PLN 121.9 million (206.4%) versus the end of 2014.

3.1.2 PUBLICATION OF THE FORECASTS OF FINANCIAL RESULTS

There were no forecasts of financial results published for 2015.



3.2

MANAGEMENT OF FINANCIAL RESOURCES AND FINANCIAL LIQUIDITY

3.2.1

DEBT AND LIQUIDITY OF CCC S.A.

The Company CCC S.A. finances its activities by means of equity and external capital, which consists of credits taken out, loans and issued bonds.

BORROWINGS AND BONDS

At the end of 2015, the Company had non-current debt liabilities in the amount of 210.0 million PLN, which consisted primarily of bonds issued in June 2014 with a total value of 210.0 million PLN. Regarding 31 December 2015, a portion of non-current liabilities on loans taken decreased by 6.0 million PLN compared to the end of 2014 due to the repayment of the investment loan.

The position of current debt liabilities of 23.5 million PLN at the end of 2015 consisted mainly of a loan from the company NG2 Suisse of 22.3 million PLN and credits worth 0.7 million PLN. This position versus the end of 2014 decreased by PLN 20.8 million (-47.0%) the reason for which was the repayment of the investment loan (-6.0 million PLN) and the setoff of part of the loan received from a related entity (-15.5 million PLN).

Below are the details on bonds and loans held as of 31 December 2015:

INFORMATION ON CREDITS

In the reporting year, the Company CCC S.A. neither concluded nor terminated a credit agreement.

On 25.09.2015, the Company CCC S.A. signed an annex to the overdraft credit facility agreement in on 3 December

2013 concluded with Bank Millennium S.A. The annex extended a credit period to 30.09.2016 and increased the amount of the surety given to the Issuer by the subsidiaries up to the amount of 40 million PLN (the maturity date of the surety 30.03.2017)

INFORMATION ON LOANS

In November 2015, the Company CCC S.A. concluded with NG2 Suisse and CCC.eu agreement of mutual offsetting of debt, thereby reducing the value of the loans by 15.5 million.

INFORMATION ON BONDS

In June 2014, the Company carried out the issue of the Bonds of CCC S.A., within Bond Issue Programme for the amount of 500 million PLN.

The bonds were issued in Polish zlotys, as bearer securities, dematerialized and coupon ones. The Agent of the issue was mBank S.A..

The bonds were issued with the following terms and conditions of the issue:

1. The nominal value of one Bond – 1.000;
2. Issue price: equal to the nominal value of one Bond;
3. The number of Bonds – 210,000;
4. The total nominal value of bonds – PLN 210,000,000;
5. Redemption of Bonds – a one-off redemption at par value of the Bond on 10 June 2019;
6. Interest of coupon bonds: a variable interest rate based on WIBOR 6M plus a fixed margin; interest will be paid semi-annually;
7. Quotations in the alternative trading system Catalyst – bonds traded from the date of 16.10.2014.

INFORMATION ON THE COVENANTS

(relate to the financial statements to the note 4.2. „Debt“)

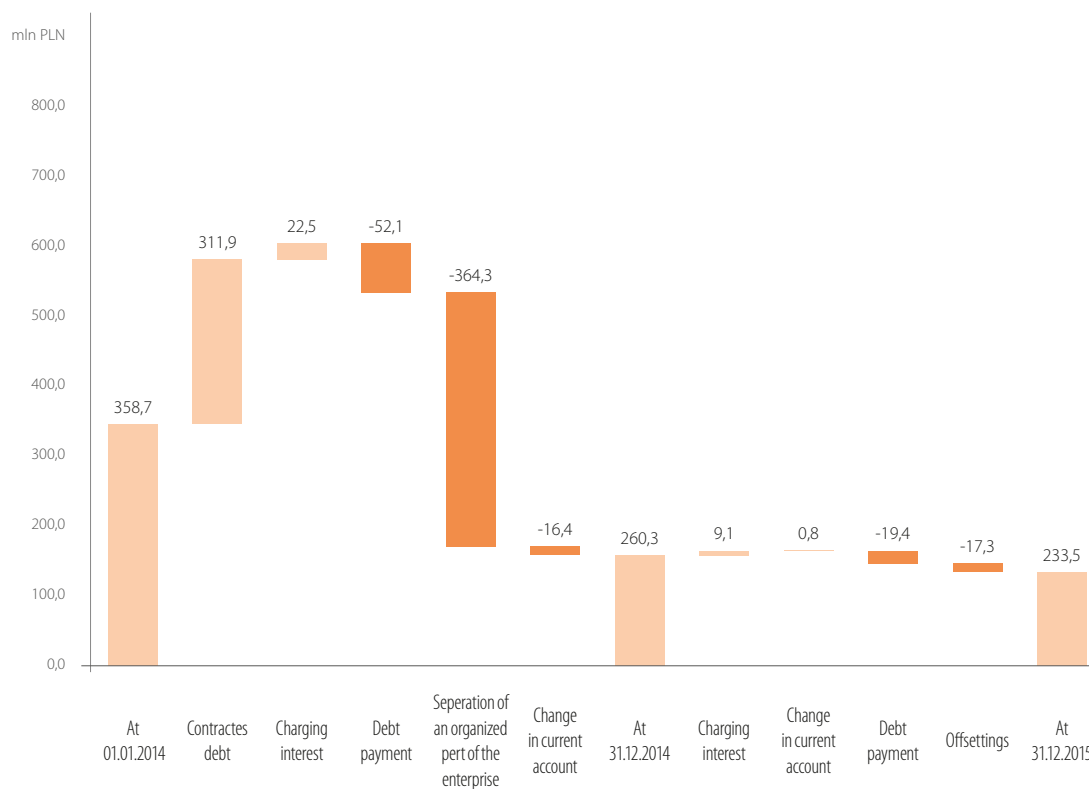
Under the terms of the bond issue agreement, of which the balance of the debt at the balance sheet date amounts to 210.0 million PLN (2014: 210.0 million PLN), the Group is required to comply with the following the covenants:

- a) ratio 1,
i.e. [ratio of net financial debt / EBITDA]
is not higher than 3.0
- b) ratio 2,
i.e. [ratio of interest service]
is not lower than 5.0

As of 31 December 2015 the value of Ratio 1 was 1.2 (1.4 as of 31 December 2014), and the value of Ratio 2 was 18.6 (15.7 as of 31 December 2014).

As of 31 December 2015, during the reporting period and until the date of approval of the financial statements, there were no breaches of the covenants contained in the abovementioned agreements.

The following is a graph showing the change in the level of debt (as described in note 4.2 „Debt” to the unconsolidated financial statement):



NET CASH FLOWS ON FINANCIAL ACTIVITIES

In 2015, cash flows from contracted and loans paid respectively amounted to 0.8 million PLN and 12.0 million PLN – in 2014, these figures amounted respectively to 336.0 (including: the bond issue 209.4 million PLN) and 46.4 million PLN. In 2015, the main item of financial cash flows related to the debt was the repayment of an investment loan (12.0 million PLN). In 2015 shareholders were paid a dividend in the amount of 115.2 million PLN. Interest paid in 2015 amounted to 7.5

million PLN and were by 6.7 million PLN lower regarding the previous year.

Taking into account the abovementioned changes in financial activities, net cash flows on financial activities in 2015 amounted to – 133.9 million PLN, whereas in 2014 they amounted to 214.0 million PLN.

DEBT RATIO

The Management Board of CCC analysing the level of debt uses the general debt ratio.

General debt ratio is calculated as the ratio of net debt to total capital employed. Net debt is calculated as total borrowings

(including current and non-current loans and issued bonds indicated in the statement of financial position) less cash and cash equivalents. Total capital employed is calculated as equity shown in the statement of financial position with net debt. The following is a calculation of the debt ratio:

Net debt	2015	2014
Loan liabilities	23,5	50,3
(+) Bonds liabilities	210,0	210,0
= Debt liabilities	233,5	260,3
(-) Cash and cash equivalents	180,8	59,0
= Net debt	52,7	201,3
Debt ratio		
Total equity	654,9	454,8
(+) Net debt	52,7	201,3
= Capital employed	707,6	656,1
The debt ratio (net debt / capital employed)	7%	31%

The debt ratio declined compared with the end of the previous year by 24 p.p., primarily due to the increase in the level of cash of 121.8 million PLN.

CURRENT LIQUIDITY RATIO

This ratio is calculated as the quotient of current assets and the value of liabilities and current provisions. The following is a calculation of the ratio:

	2015	2014
Inventories	116,20	228,30
(+) Receivables from customers and other receivables	281,20	227,90
(+) Cash and cash equivalents	180,80	59,00
= Current assets	578,20	515,20
Current debt liabilities	23,50	44,30
(+) Liabilities to suppliers and other liabilities	119,30	217,60
(+) Provisions	3,00	6,00
= Current liabilities	145,80	267,90
Current liquidity ratio (current assets / current liabilities)	4,0	1,9

The current liquidity ratio of CCC since the end of 2014 till the end of 2015 increased from 1.9 to 4.0, mainly due to a larger decline in the value of current liabilities (a decrease by 45.6%) in respect of the value of current assets (an increase by 12.2 %), which the main reason was a decline in the value of current liabilities to suppliers (a decrease by 48.5%).

The Management Board of CCC S.A. highly assesses the compliance of the company CCC S.A. with its liabilities contracted. The Management Board believes that the level of realized cash flows and financial results achieved will enable to maintain liquidity ratios at a level enabling proper functioning of the Company. In addition, in order to prevent potential danger, the Company is constantly diversifying external sources of obtaining financing.

3.2.2 FINANCIAL INSTRUMENTS

At the balance sheet date, the Issuer did not use hedging instruments to secure the risks which it is exposed to during operational activity. A detailed description of the financial instruments used is presented in the financial statements in note 6.1.

3.2.3 ISSUE OF SECURITIES AND USE THE PROCEEDS FROM THE ISSUE

In the reporting period the company did not issue any securities.

3.2.4 FEASIBILITY OF INVESTMENT PLANS

The company intends to finance investment projects with own funds and external capital. The Management Board believes currently there are no major risks that could negatively affect the implementation of investment plans in the future.





3.3

INFORMATION ON AGREEMENTS CONCLUDED BY THE COMPANY CCC S.A.

3.3.1 LOANS GRANTED

In the reporting period the Company CCC S.A. concluded the following loans agreements.

COMPANY (LENDER)	PARTY TO THE AGREEMENT (BORROWER)	DATE OF CONCLUSION	MATURITY DATE	AMOUNT (MLN)	CURRENCY	INTEREST
CCC S.A.	CCC Austria Ges.m.b.H	12.10.2015	31.12.2016	2,0	EUR	1,5%
CCC S.A. ^[1]	CCC.EU Sp. z o.o.	08.01.2015	31.12.2015	749,9	HUF	2,50%
CCC S.A.	eobuwie.pl S.A.	14.09.2015	31.12.2016	3,0	PLN	WIBOR 3M + margin
CCC S.A.	eobuwie.pl S.A.	13.10.2015	31.12.2017	30,0	PLN	WIBOR 3M + margin

[1] the loan was repaid after the balance sheet date

3.3.2 SURETIES AND GUARANTEES GRANTED AND OTHER CONTINGENT LIABILITIES

In the reporting period the Company CCC S.A. granted the following sureties and guarantees:

1. THE GUARANTEE GRANTED IN RELATION TO THE SIGNING OF THE LEASE FLOOR SPACE

COMPANY	NUMBER OF SURETIES	DEBTOR	VALUE OF SURETY OR GUARANTEE (MLN)	CURRENCY
CCC S.A.	28	CCC Germany GmbH	1,5	EUR
CCC S.A.	8	CCC Hungary Kft.	62,0	HUF
CCC S.A.	8	CCC Hungary Kft.	0,2	EUR

ANALYSIS OF FINANCIAL RESULTS OF THE COMPANY CCC

[in mln PLN unless otherwise stated]

2. OTHER SURETIES AND GUARANTEES

COMPANY	ISSUER	DEBTOR	TYPE OF COLLATERAL	DURATION		VALUE OF SURETY OR GUARANTEE [MLN]	CURRENCY
				BEGINNING	END		
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Bank Polska Kasa Opieki S.A.	CCC.eu Sp. z o.o.	Surety for the repayment of a loan granted on the basis of a multi-purpose credit limit	2015-10-26	2020-10-31	300,0	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o. and CCC Factory Sp. z o.o.)	Bank Polska Kasa Opieki S.A.	CCC.eu Sp. z o.o.	Surety for future debt due to bank guarantees issued and letters of credit opened on the basis of a multi-purpose credit limit	2015-10-26	2020-10-31	6,0	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o.)	mBank S.A.	CCC.eu Sp. z o.o.	Aval for the liabilities of CCC.eu Sp. z o.o. resulting from working capital facility Loan Agreement	2015-03-26	2018-12-31	80,0	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o.)	ING Bank Śląski S.A.	CCC.eu Sp. z o.o.	Surety for the liabilities CCC.eu Sp. z o.o. under the Multi-product Agreement	2015-02-27	2024-03-05	100,0	PLN
CCC S.A. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o.)	Bank Handlowy S.A.	CCC.eu Sp. z o.o.	Surety for the liabilities CCC.eu Sp. z o.o. under the Revolving Loan Agreement	2015-02-26	2017-08-31	103,2	PLN

Information on significant balance sheet items are included in note 4.2 of separate financial statements

Information on significant balance sheet items are included in note 4.2 of separate financial statements

COMPANY	ISSUER	DEBTOR	TYPE OF COLLATERAL	DURATION		VALUE OF SURETY OR GUARANTEE [MLN]	CURRENCY
				BEGINNING	END		
CCC.eu Sp. z o.o. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o.)	PKO BP S.A.	CCC S.A.	Surety on general terms to the credit agreement in the form of multipurpose credit	2015-10-26	2019-10-26	20	mln PLN
CCC.eu Sp. z o.o. (Surety granted jointly with CCC Shoes & Bags Sp. z o.o.)	Bank Millennium S.A.	CCC S.A.	Surety under civil law to the overdraft agreement	2015-09-25	2017-03-30	40	mln PLN

3.3.3 SIGNIFICANT TRANSACTIONS CONCLUDED WITH RELATED PARTIES

To the knowledge of the Management Board of CCC S.A. there were no significant transactions concluded between the Company and related parties on other than market

terms. Information on transactions with related parties are included in the separate financial statements in point. 3.3. „Transactions with related parties”

3.3.4 DESCRIPTION OF SIGNIFICANT AGREEMENTS

In the reporting period the Company CCC S.A. concluded the following significant agreements.

LEASE AGREEMENTS OF FLOOR SPACE

1. The lease agreement of floor space concluded with Centrum Handlowe Polska 6 Sp. z o.o. Sigma Sp. K., represented by ECE Projektmanagement Polska Sp. z o.o. as of 27 March 2015. The value of the agreement amounts to 11,500,000,00. PLN (Current Report No. 12/2015).
2. The annex to the lease agreements of floor space concluded with Helios SCC Spółka z ograniczoną odpowiedzialnością (Ltd.), represented by ECE Projektmanagement Polska Sp. z o.o. as of 23 July 2015. The value of the agreement amounts to 9,950,000,00. PLN (Current Report No. 45/2015)

AGREEMENT ON THE LIMIT FOR BANK GUARANTEES

1. Annex dated 28 May 2015 to the agreement of the Bank Guarantee Limit as of 31 March 2009, concluded with Bank Zachodni WBK S.A. The annex changed the validity term of the limit until 18 June 2016. (Current Report No. 35/2015)
2. Annex dated 16 September 2015 to the Framework Agreement as of 14 November 2012 concluded with mBank S.A. on the conclusion of the annex, the Line on the guarantees was made available until 28 September 2018, and the

period of use of the Line Limit shall expire on 10 November 2016. (Current Report No. 54/2015)

3. Annex dated 30 October 2015 to the agreement on the opening of guarantee line concluded with the Bank Polska Kasa S.A. The annex amended the period of the order of granting the guarantee until 31 October 2016 and the date of expiry of the guarantee until 31 October 2017. (Current Report No. 62/2015)

LOAN AGREEMENT

1. The loan agreement dated 12 October 2015 with CCC Austria Ges.m.b.H. for the amount of 2,000,000,00 EUR. (Current Report No. 59/2015)

Detailed information is included in point. 3.3.1

AGREEMENT ON ACQUISITION OF SHARES OF EOBWIE.PL S.A.

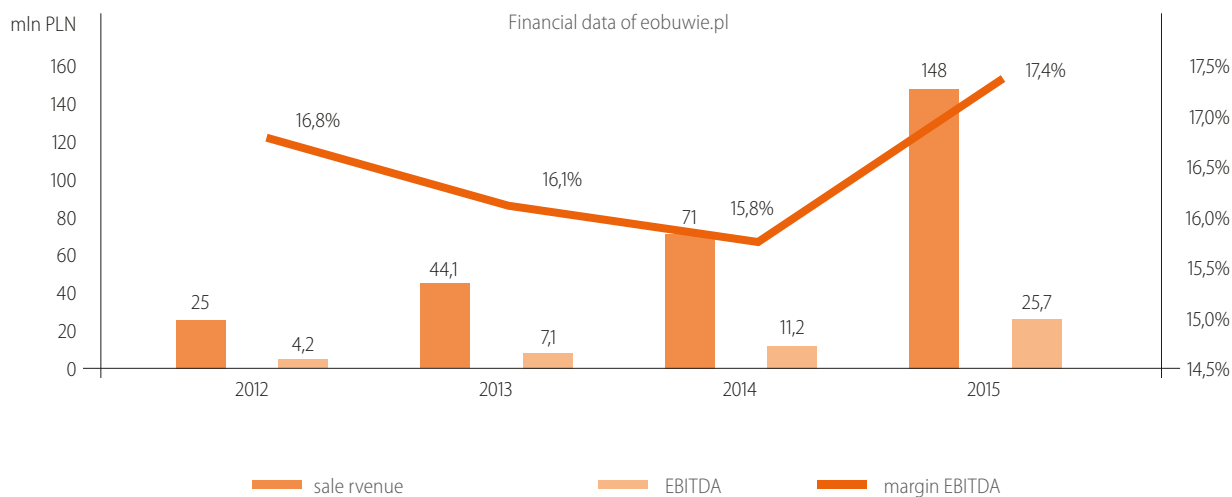
1. On 26 August 2015 an agreement was concluded obliging to the sale of shares OF eobuwie.pl S.A., pursuant to which, subject to meeting the conditions specified in the agreement, CCC S.A. will acquire 74.99% of the shares with the right to acquire the remaining 25.01% until 28 February 2020. The price for 74.99% of the shares will consist of a basic amount of 129,982,000.00 PLN and the supplementary amount and withheld amount under the agreement. (Current Report No. 51/2015)
Detailed information was included in point 3.4.

3.4

PURCHASE OF THE COMPANY EOBUWIE.PL

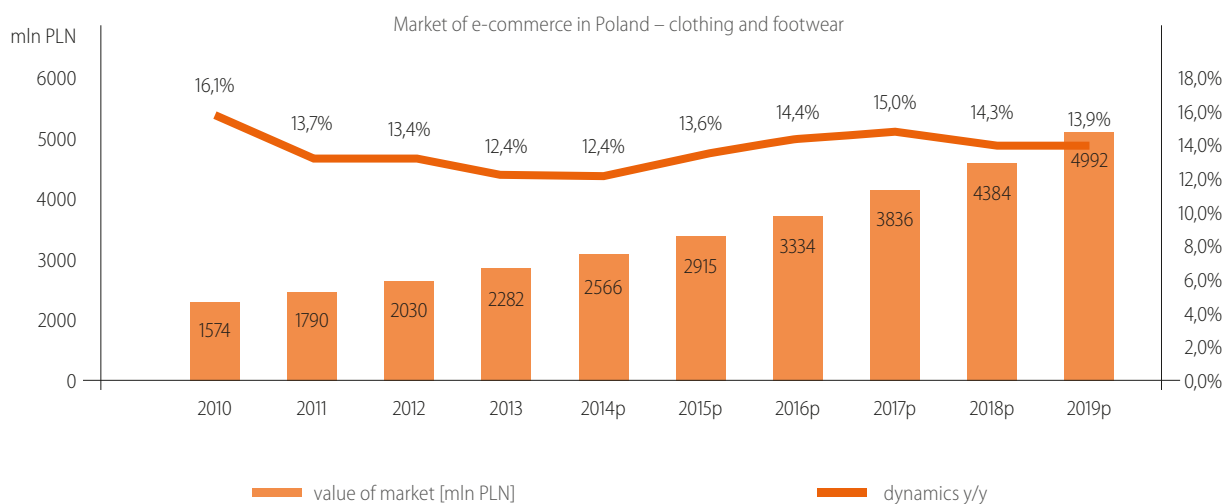
THE COMPANY EOBUWIE.PL AND E-COMMERCE MARKET

Eobuwie.pl S.A. is a highly profitable company dealing with retail sales of branded footwear and accessories, in the formula of a multibrand, in e-commerce channel. Currently selling goods through its regional domains in Poland, the Czech Republic, Slovakia, Germany, Romania and Hungary, and in 2016 selling in Bulgaria, Lithuania and Ukraine will be launched.



Retail trade of clothing and footwear in the Internet is now the fastest growing non-food market. The share of online sales throughout the clothing and footwear market from year to year is estimated to be around 9-10% and is steadily

growing. The dynamics of sales of clothing and footwear in the e-commerce market is in double digits whereas the overall market is growing only few percent per year.



Source: PMR Internet trade in Poland p.144

THE ACQUISITION TRANSACTION OF EOBUWIE.PL

The Company CCC S.A. on 15 January 2016 acquired 74.99% stake in eobuwie.pl S.A. (I Tranche shares). CCC has an option to purchase the remaining 2,501,000 shares giving 25.01% of the share capital after approval of the financial statements for 2018 (II Tranche shares).

ACQUISITION PURPOSE

Through the acquisition of eobuwie.pl CCC acquired to its the Capital Group a top class competence in e-commerce. The Capital Group CCC through logistics investments and capital reinforcement of the subsidiary intends to make eobuwie.pl S.A. the largest footwear company operating in

the sector of e-commerce in Central Europe. The company CCC expects that within three years, eobuwie.pl will achieve sales revenue of over 500 million PLN, and in 2016 sales growth will amount to at least 75%.

ADVANTAGES FROM THE TRANSACTION

Investment in the sector of e-commerce will constitute a second, rapidly growing branch of business of the Capital Group CCC allowing for increasing its shares held in the

footwear market, extending the product offer of the Group and becoming the undisputed leader in CEE countries.

FINANCIAL PROVISIONS OF THE TRANSACTION

The price for the I Tranche shares amounted to 230,660,541 PLN (the base price 129,982,000 PLN + 74.99% of the amount equal to the product of EBITDA 2015 adjusted for one-offs x 12 less the payment of the profit for 2015 for the existing shareholders). This amount may be increased by 5,000,000 PLN + interest of 2.5% per annum, if all or part of this amount is not secured by CCC S.A. on account of warranty and representations claims made by the Company's Shareholders

of eobuwie.pl arising from the conclusion of the investment agreement.

Price for II Tranche shares was determined as 25.01% of the amount equal to the product of EBITDA 2018 x 12, and if EBITDA in 2018 is zero or negative, then the price for all the II Tranche shares will be equal to the total nominal value of shares.

FINANCIAL DATA OF EOBUWIE.PL

Selected data from the statement of profit or loss and other comprehensive income

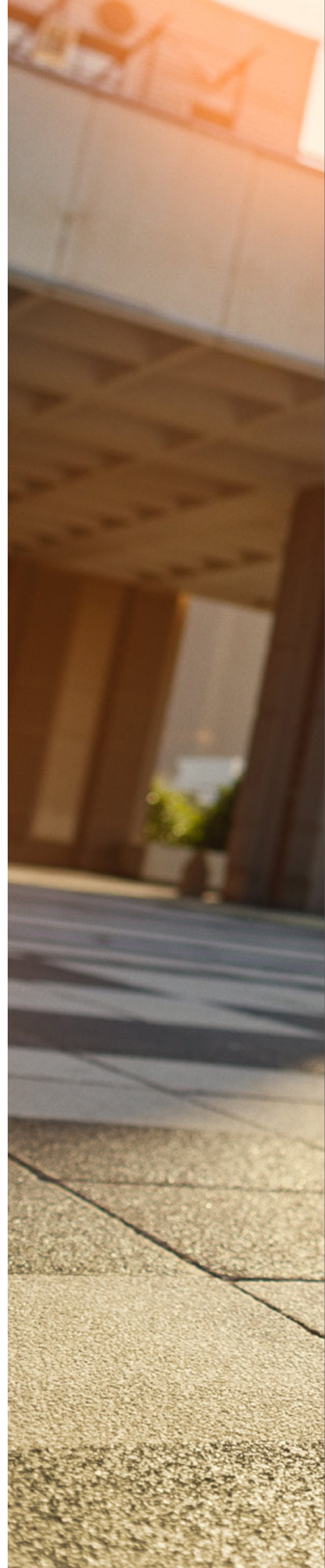
	2014	2015	CHANGE, R/R
sale revenue	71,0	148,0	108,5%
gross sale margin	26,2	57,1	117,9%
gross margin [%]	36,9%	38,6%	4,6%
EBITDA	11,2	25,7	129,5%
gross profit	10,7	24,8	131,8%
gross profitability	15,1%	16,8%	11,2%

COMPARISON OF THE RESULTS OF THE COMPANY EOBUWIE.PL S.A. AGAINST THE RESULTS OF THE CAPITAL GROUP CCC

	2014	2015
przychody ze sprzedaży	3,5%	6,4%
marża brutto na sprzedaży	2,4%	4,6%
zysk brutto	4,8%	11,0%

The financial results of eobuwie.pl S.A. will be consolidated from the date of acquisition of control, that is 15 January 2016 r.

4. ORGANIZATION OF THE CAPITAL GROUP CCC





CCC
SHOES & BAGS

4.1 STRUCTURE OF THE CAPITAL GROUP

4.1.1 DESCRIPTION/SCHEME OF ORGANIZATION OF THE GROUP CCC TOGETHER WITH ORGANIZATIONAL AND CAPITAL LINKS.

The Company CCC S.A. is the parent company of the Capital Group CCC. At the balance sheet date, CCC S.A. held directly and indirectly 100% of the share capital of all 14 subsidiaries located on Polish territory, Central and Eastern Europe, Western Europe and in other countries. The chart below shows the organizational structure of CCC with capital links.

CCC Group



[1] The Company CCC.eu Sp. z o.o. is a subsidiary of CCC Shoes & Bags Sp. z o.o. (99.75%) and a subsidiary of the Issuer (0.25%).

[2] eobuwie.pl S.A. is a subsidiary since 15 January 2016.

4.1.2 CHANGES IN ORGANIZATION AND MANAGEMENT IN THE GROUP CCC

CHANGES IN ORGANIZATION OF THE CAPITAL GROUP CCC IN 2015.

In the reporting period there were no changes in the business structure of the entity and the Capital Group CCC S.A.

CHANGES IN ORGANIZATION OF THE CAPITAL GROUP CCC AFTER THE BALANCE SHEET DATE

On 15 January 2016 CCC S.A. concluded an agreement under which it acquired 74.99% stake in eobuwie.pl S.A. The acquisition of shares in the Company having a leading position in the Polish market of selling footwear online is aimed at increasing the competitive advantage of the Group. For more information on the purchase of shares in eobuwie.pl see section 3.4 of this statement.

CHANGES IN MANAGEMENT PRINCIPLES OF THE CAPITAL GROUP CCC

During the twelve months ended 31 December 2015 there were no significant changes in the structure of the organization as well as in the management principles of the Capital Group CCC and the enterprise of the Issuer.

ANNUAL STATEMENTS ON OPERATIONS OF CCC S.A.

ORGANIZATION OF THE CAPITAL GROUP CCC

[in mln PLN unless otherwise stated]



ORGANIZATION OF THE CAPITAL GROUP CCC

[in mln PLN unless otherwise stated]

4.2

SHARE CAPITAL AND SHAREHOLDERS

4.2.1

SHARE CAPITAL OF CCC S.A. AND OWNERSHIP STRUCTURE

As of 31 December 2015 the share capital of CCC S.A. amounted to PLN 3,840,000.00 and was divided into 38,400,000 shares with a nominal value of PLN 0.10 each. Due to the implementation of the objectives of the Incentive Program for the years 2013–2015, within which the issue of 768,000 shares in the future is planned, one should expect changes in the ownership structure. More information on this topic is presented in section 4.2.4 of this statement.

SERIES/ISSUE	TYPE OF SHARES	TYPE OF PREFERENCE	NUMBER OF SHARES	VALUE OF SERIES / ISSUE IN NOMINAL VALUE (PLN)	MANNER OF CAPITAL COVERAGE
„A1”	registered preference shares	2 votes from one share	6.650.000	665.000	cash contributions
„A2”	ordinary bearer shares	n/a	13.600.000	1.360.000	cash contributions
B	ordinary bearer shares	n/a	9.750.000	975.000	cash contributions
C	ordinary bearer shares	n/a	2.000.000	200.000	cash contributions
D	ordinary bearer shares	n/a	6.400.000	640.000	cash contributions
Total			38.400.000	3.840.000	

4.2.2 SHAREHOLDERS OF CCC S.A. HOLDING SUBSTANTIAL BLOCKS OF SHARES

According to information available to by the Company, the shareholders holding at least 5% of the total number of votes at the General Meeting of CCC S.A. as of 31 December 2015 were:

- ULTRO S.A. (a subsidiary to Dariusz Miłek) which held 10,350,000 shares of the Company, representing 26.95% of the share capital of the Company and giving the right to 33.52% of votes at the General Meeting of the Company,
- Leszek Gaczorek who held 2,710,000 shares of the Company, representing 7.06% of the share capital of the Company and giving the right to 9.90% of votes at the General Meeting of the Company,
- Aviva OFE, which held 3,038,335 shares of the Company, representing 7.91% of the share capital of the Company and giving the right to 6.74% of votes at the General Meeting of the Company

SHAREHOLDER	NUMBER OF SHARES HELD	% SHARE IN SHARE CAPITAL	NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS	% SHARE IN THE NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS
ULTRO S.A. Subsidiary to Mr. Dariusz Miłek	10 350 000	26,95%	15 100 000	33,52%
Leszek Gaczorek	2 710 000	7,06%	4 460 000	9,90%
Aviva OFE ^[1]	3 038 335	7,91%	3 038 335	6,74%
Other investors ^[2]	22 301 665	58,08%	22 451 665	49,84%
TOTAL	38 400 000	100,00%	45.050.000	100,00%

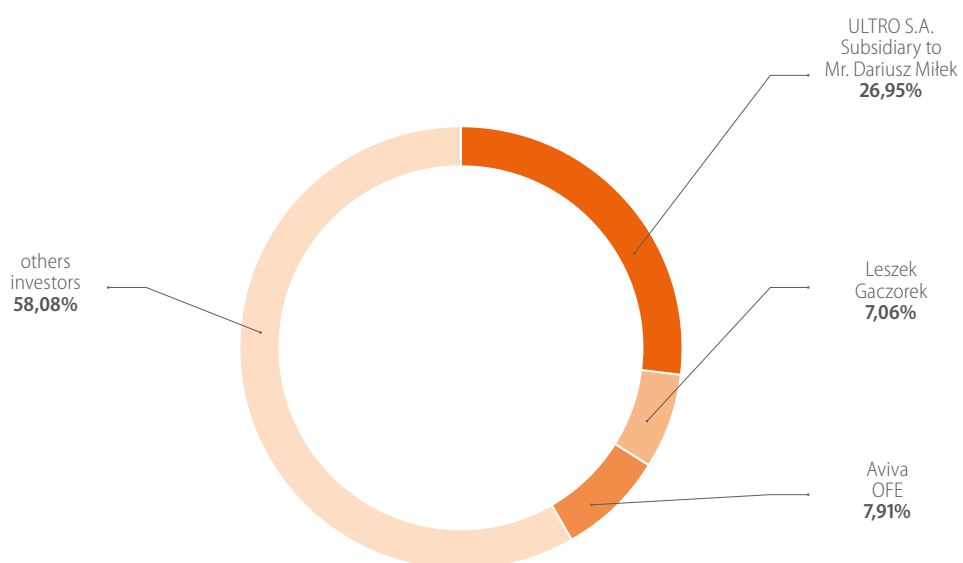
[1] Details derived from annual information on the structure of assets of the Fund Aviva OFE as of 30.12.2015.

[2] Investors holding less than 5% of votes at the General Meeting of Shareholders.

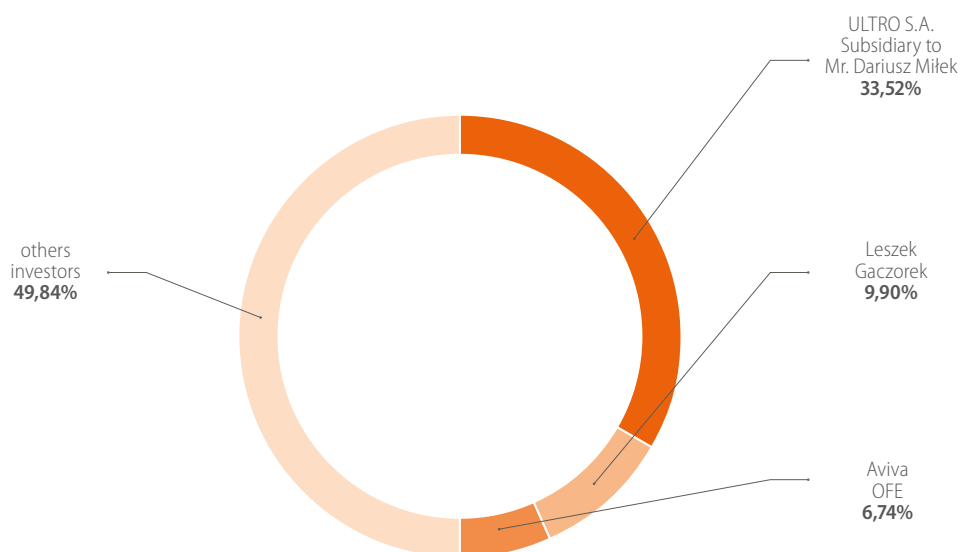
ORGANIZATION OF THE CAPITAL GROUP CCC

[in mln PLN unless otherwise stated]

SHAREHOLDERS BY NUMBER OF SHARES



SHAREHOLDERS BY NUMBER OF VOTES



4.2.3 SHARES OF THE PARENT COMPANY AND RELATED PARTIES HELD BY MANAGING AND SUPERVISING PERSONS.

To the best knowledge of the Management Board of CCC S.A., persons managing and supervising the Company at the date of this report and at the date of publication of the consolidated statement for the 12 months ended 31 December 2015 held the following number of shares:

SHAREHOLDER	NUMBER OF SHARES AT THE SUBMISSION DATE OF THE ANNUAL REPORT [PCS.]	THE NOMINAL VALUE OF THE SHARES AT THE SUBMISSION DATE OF THE ANNUAL REPORT [PLN]
Zarząd		
President Dariusz Miłek ^[1]	10 350 000	1 035 000
Vice-President Mariusz Gnych	120 000	12 000

[1] indirectly as a dominant entity in the company ULTRO S.A.

Other members of the Management Board and the Supervisory Board do not hold any shares of CCC S.A. Members of the Management Board and the Supervisory Board did not hold any shares in entities affiliated with CCC S.A.

4.2.4 SYSTEM OF CONTROL OF EMPLOYEES SHARES PROGRAM

INCENTIVE PROGRAM FOR YEARS 2013-2015

Aiming at creating, in the Parent Company, incentive mechanisms for Management Board members, board members of the subsidiaries, key employees and associates of the Parent Company to take actions to ensure both long-term growth in the value of the Parent Company as well as the steady growth of net profit, as well as guided by the need to stabilize managers, the Parent Company decided to launch an incentive program based on the subscription warrants. This program is based on offering participants of the program the possibility to acquire shares of the Parent Company in the future.

On 19.12.2012, The Extraordinary General Meeting of Shareholders of CCC S.A. adopted the resolutions, among others, on the conditional increase of the share capital of the Parent Company and the issuance of subscription warrants with the exclusion of pre-emptive rights of shareholders with respect to shares issued within the conditional capital and subscription warrants in the connection with the launch of the incentive program for current and future members of the Management Board, current and future members of the management boards of subsidiaries and the management of the Parent Company. The resolution provides for the

conditional share capital increase of the Parent Company by not more than PLN 76,800 by issuing no more than 768,000 series E ordinary bearer shares with a nominal value of PLN 0.10 each (the „series E Shares” or „Incentive Shares”) and the issuance of a total of no more than 768,000 series A registered subscription warrants („Subscription Warrants”), each of which entitles to subscribe for one series E Shares to the exclusion of pre-emptive rights of shareholders with respect to the Series E Shares and Subscription Warrants.

The right to subscribe for Series E Shares will be exercised by the eligible persons, provided that the total consolidated net profit of the Group for the fiscal years 2013, 2014 and 2015, adjusted for the costs of establishing the program will amount to no less than PLN 620,000,000.

According to §3 point 8 of the resolution, the Supervisory Board was authorized to decide, by means of the resolution, to establish the list of Eligible Persons and establish detailed rules relating to the issue of Subscription Warrants and their execution.

On 31 December 2015 The Participation Agreement was concluded providing for granting a total of 652,000 warrants to 98 eligible persons.

At the balance sheet date, two (level of net profit, employment as of 31.12.2015.) of the three criteria of the incentive scheme were achieved. Number of eventually offered warrants to acquire by the Participant will depend on the evaluation of the results of his work. At the date of the submission of report, the evaluation process was not completed.

Measurement of the value of the program recognized to the cost of the financial result in 2015 amounted to 10.4 million PLN, and in 2014 0.5 million PLN.

Details of the measurement of the program and the accounting recognition of its value are described in note 6.2 financial statements of CCC S.A. for the fiscal year 2015.

4.2.5

AGREEMENTS CONCERNING POTENTIAL CHANGES IN THE SHAREHOLDERS STRUCTURE

Management Board of the Group CCC is not aware of any agreements (including those concluded after the balance sheet date), which may result in future changes in the proportions of shares held by existing shareholders and bondholders.



**5.
SHARES OF CCC S.A.
ON THE STOCK EXCHANGE IN WARSAW**





CCC
SHOES & BAGS

5. SHARES OF CCC S.A. ON THE STOCK EXCHANGE IN WARSAW

Since 2 December 2004, the shares of CCC S.A. have been listed on the main market of the Warsaw Stock Exchange, in the continuous trading system and are now included in the most important indices: WIG, WIG20, WIG30 and WIG-Poland.

VALUATION OF SHARES CCC S.A. ON THE STOCK EXCHANGE IN WARSAW

The following is the selected information concerning the valuation of the shares of CCC S.A. in the years 2014-2015:

Dane	2015	2014	CHANGE % 2015 VS. 2014
Consolidated net profit attributable to shareholders [in mln PLN]	259,6	420,1	-38,2%
Net profit attributable to shareholders [in mln PLN]	288,4	115,8	149,1%
Consolidated net profit per share [PLN]	6,76	10,94	-38,2%
Net profit per share [PLN]	7,51	3,02	149,1%
The highest share price [PLN]	198,90	151,70	31,1%
The lowest share price [PLN]	132,00	103,45	27,6%
The share price at end of year [PLN]	138,55	133,50	3,8%
The average share price in the period [PLN]	167,21	132,78	25,9%
P / E ratio average	24,74	12,14	103,8%
P / E ratio at the end of the year	20,50	12,20	68,0%
Number of shares on the stock exchange at the end of the year	38 400 000	38 400 000	0,0%
Free float at the end of the year	58,08%	43,30%	34,1%
Capitalization at the end of the year [in mln PLN]	5320,3	5126,4	3,8%
Dividend per share [PLN]	3,0	1,6	87,5%

INVESTOR RELATIONS

Investor Relations Office of the Group CCC is responsible for the implementation of Group Information Policy (See Section 6.1.3 „Information Policy of the Group CCC”) whose main objective is to provide equal access to information and effective communication and building the confidence of capital market participants, and in particular individual and institutional investors from the country and abroad. The people responsible for creating investor relations make

use of best practices in communicating with individual investors based on their expectations and best practices for operating in foreign markets, which is reflected in receiving the certificate „10 out of 10 – Investors Friendly Company” granted by the Association of Individual Investors, under the honorary auspices of the educational campaign „Civic Shareholding. Invest consciously.”

BROKERAGE HOUSES THAT ISSUE RECOMMENDATION FOR THE SHARES OF CCC S.A.

NAME OF BROKERAGE HOUSE	CONTACT DETAILS	
Wood & Company	Łukasz Wachelko	<i>lukasz.wachelko@wood.com</i>
UBS	Michał Potyra	<i>michal.potyra@ubs.com</i>
JP Morgan	Michał Kużawiński	<i>michal.kuzawinski@jpmresearchmail.com</i>
Goldman Sachs International	Yulia Gerasimova	<i>yulia.gerasimova@gs.com</i>
Ipopema Securities	Michał Bugajski	<i>michal.bugajski@ipopema.pl</i>
Haitong	Konrad Księżopolski	<i>kksiezopolski@haitongib.pl</i>
Citi	Rafał Wiatr	<i>rafal.wiatr@citi.com</i>
DM BOŚ SA	Sylvia Jaśkiewicz	<i>s.jaskiewicz@bossa.pl</i>
Raiffeisen Centrobank AG	Jakub Krawczyk	<i>jakub.krawczyk@rcb.at</i>
Dom Maklerski BZ WBK SA	Tomasz Sokołowski	<i>tomasz.sokolowski@bzwbk.pl</i>
Unicredit CAIB	Małgorzata Kloka	<i>malgorzata.kloka@caib.unicredit.eu</i>
Trigon	Dariusz Dziubiński	<i>dariusz.dziubinski@trigon.pl</i>
PKO BP	Włodzimierz Giller	<i>wlodzimierz.giller@pkobp.pl</i>
DM Banku BPS SA	Marcin Stebakow	<i>marcin.stebakow@dmmps.pl</i>
Erste	Marek Czachor	<i>marek.czachor@erste.com</i>
Dom Maklerski mBanku SA	Piotr Bogusz	<i>piotr.bogusz@mdm.pl</i>
Millenium Dom Maklerski SA	Marcin Palenik	<i>marcin.palenik@millenniumdm.pl</i>
Dom Maklerski BDM SA	Adrian Górniak	<i>adrian.gorniak@bdm.pl</i>
BGŻ BNP Paribas SA	Michał Krajczewski	<i>michal.krajczewski@bgzbnpparibas.pl</i>



DIVIDEND POLICY

Taking into account the financial results achieved by the Company and the intention to share profits with the Shareholders generated by the Company, the Management Board of CCC S.A. on 28 April 2015 adopted a new dividend policy.

DIVIDEND POLICY OF CCC S.A.

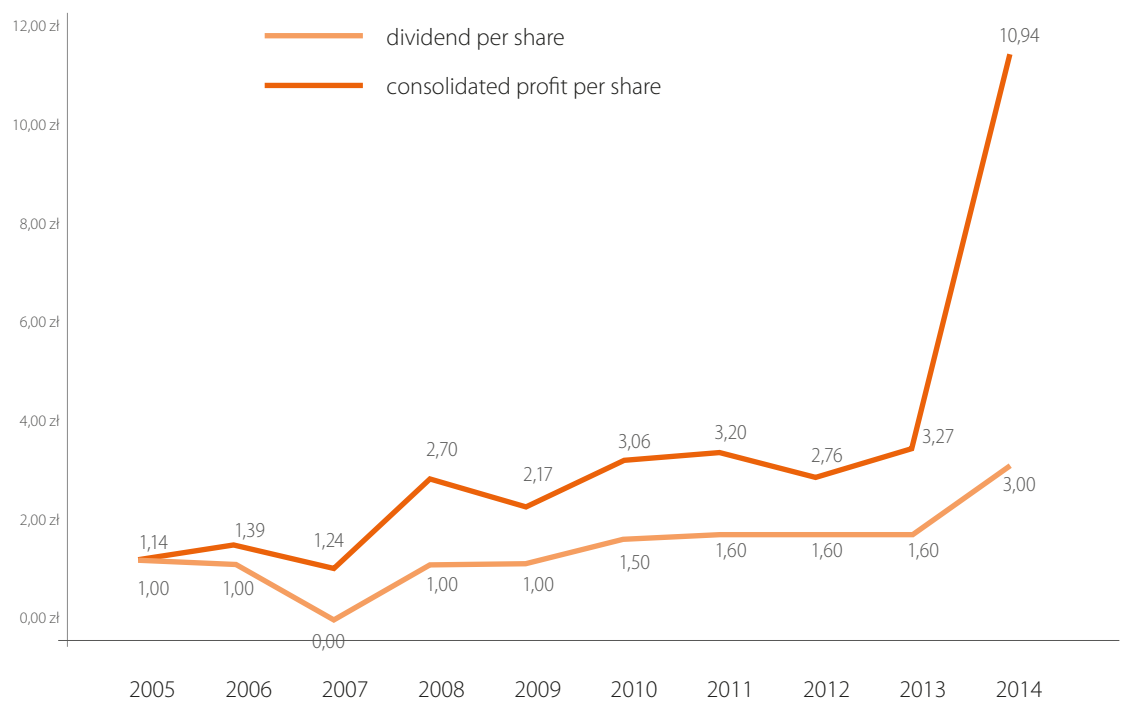
1. The Management Board of CCC intends to submit to the General Meeting of Shareholders a proposal for payment of dividend in the amount of 33% to 66% of the consolidated net profit of the Capital Group CCC, assuming that the ratio of net debt to EBITDA at the end of the year, to which the distribution of profit relates, will be below 3.0.
 2. At the recommendation of the distribution of the profit generated in the Capital Group CCC, the Management Board of the Company will take into account the financial and liquidity situation of the Group, existing and future liabilities (including potential limitations associated with the loan agreements and the issuance of debt instruments) and evaluate the prospects the Capital Group CCC in certain market and macro-economic conditions.
 3. The new dividend policy is applied since the consolidated net profit of the Group for the fiscal year ended 31 December 2014.
- In the Company there are no preference shares for the dividend.

HISTORY OF DIVIDENDS

FISCAL YEAR	% OF CONSOLIDATED NET PROFIT ALLOCATED TO DIVIDEND	DIVIDEND TOTAL (MLN PLN)	DIVIDEND PER SHARE
2014	27% ^[1]	115,20	3,0
2013	49%	61,44	1,6
2012	58%	61,44	1,6
2011	50%	61,44	1,6
2010	49%	57,60	1,5
2009	46%	38,40	1,0
2008	37%	38,40	1,0
2007	0%	—	—
2006	72%	38,40	1,0
2005	88%	38,40	1,0

[1] as a result of clearing net profit from one-off events, the dividend accounted for 50% of net profit.

DIVIDEND PER SHARE/ CONSOLIDATED PROFIT PER SHARE





6. CORPORATE GOVERNANCE





CCC
SHOES & BAGS

6.1

APPLIED SET OF CORPORATE GOVERNANCE PRINCIPLES

6.1.1

STATEMENT OF THE MANAGEMENT BOARD ON APPLYING CORPORATE GOVERNANCE PRINCIPLES

In 2015, CCC S.A. was subject to the corporate governance principles contained in the document „Good practices of companies listed on the Stock Exchange” (hereinafter: Good Practices) adopted by the resolution No. 19/1307/2012 of the Stock Exchange Council as of 21 November 2012 and in force until 31 December 2015. From 1 January 2016 new principles apply introduced by the Resolution No. 26/1413/2015 of the Supervisory Board of the Stock Exchange in Warsaw (WSE) as of 13 October 2015, „Best practices of WSE Listed Companies 2016” (hereinafter: Good Practices 2016) .

Document is available in the website of WSE:
www.corp-gov.gpw.pl

6.1.2 INFORMATION ON THE WITHDRAWAL FROM THE APPLICATION OF THE PRINCIPLES OF CORPORATE GOVERNANCE

IN 2015, THE COMPANY APPLIED GOOD PRACTICES EXCLUDING:

1. the principles contained in paragraph 12 in Chapter I „Recommendations for Best Practice for Listed Companies”, on providing shareholders with the possibility to perform in person or by proxy to voting rights during the general meeting, outside place of executing the general meeting, by means of electronic communication,
2. the principles contained in paragraph 10 in Chapter IV „Good practices applied by the shareholders” on providing shareholders with the possibility to participate in the General Meeting using electronic communication, which means:
 - a. broadcasting of general meeting in real time,
 - b. two-way communication in real time within which shareholders may speak during the course of the general meeting being in a place other than the place of the meeting.

EXPLANATION: The Company, taking into account the need to perform multiple technical-organizational tasks and associated risk of technical and legal nature which may affect the orderly and uninterrupted agenda of the general meeting of shareholders, and thus 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 the dissemination of the use of this technical solution and ensuring adequate security of this application, the Issuer's Management Board is considering putting it into effect.

CCC S.A. complies with the recommendations and principles contained in the Best Practices 2016 except for the rules VI.Z.2. indicating the minimum 2-year period between granting options under the incentive program or other instruments linked to shares of the company and the possibility of their implementation. Failure of this principle arises from the fact that in the Company's incentive program, which was adopted prior to the entry into force of document the „Best Practices of WSE Listed Companies 2016”, are used tools which are characterized by the fact that the period between their the granting and execution is less than 2 years .

The full statement of CCC concerning the application of the Good Practices 2016 (DPSN) is available on the website of the Company, in the section on corporate governance: <http://firma.ccc.eu/>.

CORPORATE GOVERNANCE

[in mln PLN unless otherwise stated]

6.1.3

INFORMATION POLICY OF THE GROUP CCC

CCC S.A. runs a corporate website which is a reliable and useful source of information about the Company for the capital market representatives. Especially, for company's shareholders, investors and analysts there operates a service within the Investor Relations website (www.ccc.eu). Its content is prepared in a transparent, fair and complete way so as to enable investors and analysts to make decisions based on the information presented by the Company. Corporate website service is run in Polish and English.

CCC Group provides equal access to information concerning the Company through the full fulfillment of the information obligations arising from the operation of the Company on the regulated market; application of the principles of corporate governance and keeping communication with all capital market participants based on the best standards and market practices.

Having regard to the proper fulfillment of the information obligations, CCC S.A. publicises:

- information required by the provisions of law applicable to companies listed on the Warsaw Stock Exchange and in accordance with the Best Practices of WSE Listed Companies 2016
- financial results and interim reports within the deadlines set by applicable laws. The company strives to make this term as short as possible;
- information about significant events affecting the price of the shares of the Company immediately after their occurrence, if the law does not provide otherwise, of the required deadline.

The tools used for communicating with capital market participants are as follows:

- Electronic System for Information Transfer (ESPI) – to execute the information obligations resulting from share trading on the regulated market;
- Electronic Information Database (EIB) – to distribute reports on application of corporate governance;

- Investor Relations service on the website of the company (<http://firma.ccc.eu>), where there are all the information about the Company, such as current reports, presentations, financial reports, information on authorities of the Company, current shareholder structure, contact information, etc.;
- result conferences for analysts and media broadcasted live, each time after the publication of financial results (video footage from the conference is available on the Investor Relations website);
- teleconferences for domestic and foreign investors and analysts;
- meetings of representatives of the Management Board and Investor Relations with individual and institutional investors and analysts, including the organization of the Open Days and the Days of the Investor in the Company's headquarters;
- participation of representatives of the Management Board and the Investor Relations team at investor conferences in Poland and abroad;
- the availability of the Investor Relations team for capital market participants by phone and e-mail. The Company endeavours to reply to the questions provided immediately upon receipt, but no later than within 3 working days. The deadline may be extended, in exceptional cases and circumstances beyond the control of the Company;
- making materials from General Meetings of Shareholders on Investor Relations available, including video materials.

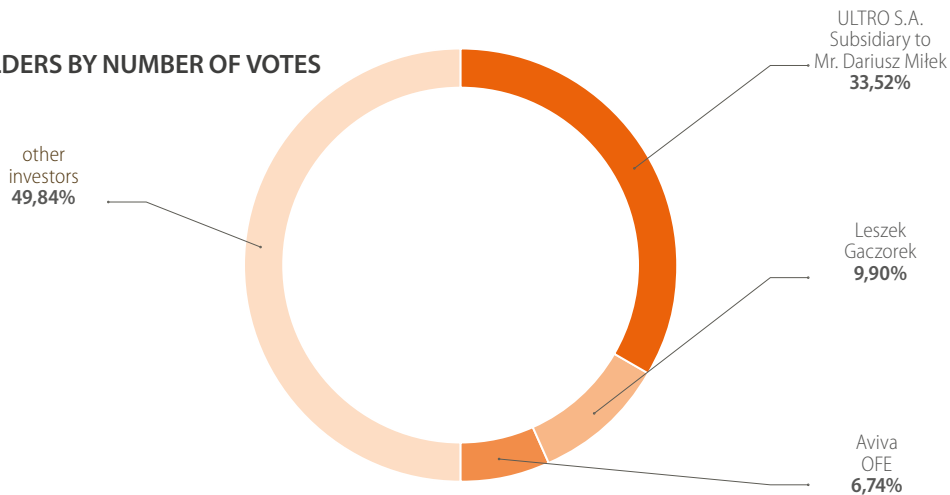
Service of Investor Relations at www.ccc.eu is subject to periodic reviews and verifications so that its contents to the fullest will meet the information needs of the capital market representatives.

6.1.4 SHAREHOLDERS OF THE COMPANY HAVING SPECIAL CONTROLLING AUTHORIZATIONS.

According to the Articles of Association of the Company, the shares of CCC S.A. are divided into two types:

- ordinary bearer shares, with one share carries one vote at the General Meeting of the Company,
- registered preference shares as for the voting that each share carries two votes at the General Meeting of the Company.

SHAREHOLDERS BY NUMBER OF VOTES



List of shareholders holding preferred shares (as of the date of submission of the annual report)

Section 4.2.2 indicated the shareholders holding directly or indirectly significant blocks of shares, specifying the number of shares and votes at the general meeting.

SHAREHOLDER	NUMBER OF SHARES HELD	% SHARE IN SHARE CAPITAL	NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS	% SHARE IN THE NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS
ULTRO S.A. Subsidiary to Mr. Dariusz Miłek	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%





6.1.5 INDICATION OF ALL RESTRICTIONS ON VOTING RIGHTS IN THE COMPANY OF THE ISSUER

There are no restrictions regarding exercising voting right.

6.1.6 INDICATION OF ALL RESTRICTIONS ON THE TRANSFER OF OWNERSHIP OF SECURITIES OF THE ISSUER

Shareholders of the parent company shall have the right to purchase registered preferred shares held for sale. In case of not exercising this right toward all or part of the shares, the transfer of ownership of the shares requires the approval of the Management Board of the Company.

6.1.7 DESCRIPTION OF PRINCIPLES OF AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE ISSUER

In terms of amendments in the Articles of Association, the provisions of the Commercial Companies Code shall apply. Amending the Company's Articles of Association requires a resolution of the General Meeting of Shareholders adopted by a majority of $\frac{3}{4}$ of votes and an entry into the National Court Register. The Supervisory Board may, in accordance with the authorization given to it by the General Meeting, establish a uniform text of the amended Articles of Association or make other changes of editorial nature specified in the resolution of the General Meeting.

A resolution on amending Articles of Association is effective from the moment of entering into the National Court Register.

6.2

GENERAL MEETING OF CCC S.A.

6.2.1

OPERATIONS OF THE GENERAL MEETING OF CCC S.A. AND ITS MAIN POWERS AND THE RIGHTS OF SHAREHOLDERS AND THEIR EXECUTION METHOD.

The General Meeting operates on the basis provided by the Company to the public, among others, on the website of CCC S.A., The Company's Articles of Association and Rules of the General Meeting and to the extent not indicated by indicated documents by Commercial Companies Code.

APPOINTING AND DISMISSING THE GENERAL MEETING OF SHAREHOLDERS

This point describes the principles for appointing and dismissing the General Meeting of Shareholders of the Company:

- The General Meeting of Shareholders may be convened as ordinary or extraordinary.
- The General Meeting of Shareholders is held at the headquarters of the Company, in Warsaw or in Wrocław, in the time and venue indicated in the notice on convening the General Meeting.
- The Ordinary General Meeting is held annually within six months after the end of a fiscal year.
- Information on convening the General Meeting together with the venue and date (day and time) the Management Board provides in the form of a current report and publishes on the Company's website.

POWERS OF THE GENERAL MEETING OF SHAREHOLDERS

Competence of the General Meeting are beyond all matters related to the activities of the Company and the matters specified in the laws, with the exception of the acquisition and disposal of real property, perpetual usufruct or shares in real estate:

- Selection and dismissal of members of the Supervisory Board
- Approval of the Regulations of the Supervisory Board
- Setting the rules for remuneration of the Supervisory Board
- Determining the amount of remuneration for the members of the Supervisory Board.

POWERS OF THE GENERAL MEETING ARE SET FORTH IN THE DOCUMENTS:

- Articles of Association of the Company, which is available on the Company's website
- Regulations of the General Meeting CCC S.A., which is available on the Company's website (www.ccc.eu)
- Code of Commercial Companies
- Taking into account the „Code of Best Practice for WSE Listed Companies”.

PARTICIPATION IN THE GENERAL MEETING OF SHAREHOLDERS

In accordance with the provisions of the Commercial Companies Code, the persons who are the shareholders of CCC S.A. on the Registration Date are entitled to participate in the General Meeting, i.e. the people who:

- a) sixteen days before the General Meeting will have shares of the Company registered on a securities account and
- b) in the period from the date of announcement of the General Meeting till the first working day after the Registration Day will make a request to the operator of the securities account for issuing a personal certificate of entitlement to participate in the General Meeting.

The Company determines the list of shareholders entitled to attend the General Meeting on the basis of a list submitted by the National Depository for Securities. This list is prepared on the basis of information provided by entities operating securities accounts of the shareholders, on the basis of issued registered certificates confirming the entitlement to participate in the General Meeting. Three working days before the General Meeting, in the Company's headquarters (ul. Strefowa 6, 59-101 Polkowice) the list of shareholders entitled to attend the Ordinary General Meeting is available. A shareholder may request that list of shareholders, free of charge, providing the address to which the list should be sent. Shareholders may submit such a request via e-mail to the following address: wza@ccc.eu.

The members of the Management Board and the Supervisory Board may attend The General Meeting. The certified auditor should be present if the agenda includes the Company's financial matters.

The Management Board may also invite other experts to participate in the session and consultants in order to provide participants of the General Meeting with opinions on the matters on the agenda. CCC S.A., in compliance with the law and regarding the Company's interests, enables media representatives to attend the General Meetings.

The members of the Management Board and the Supervisory Board and the certified auditor of the Company, within of their competence and to the extent necessary to resolve the matters discussed by the General Meeting, shall provide the participants of the meeting with explanations and information concerning the Company. Answering questions from the participants of the General Meeting is made taking into account the legal rules governing the functioning of the capital market, and such giving of information cannot be made by means other than resulting from these regulations.

A shareholder may participate in the Ordinary General Meeting of CCC S.A. and exercise their right to vote in person or by proxy. The power of attorney to vote shall be granted in writing or in electronic form. Granting power of attorney in electronic form does not require a secure electronic signature verified by a valid qualified certificate.

The shareholder is obliged to send information to the Company on granting the power of attorney in an electronic form together with powers of attorney to the address wza@ccc.eu. In case of granting the power of attorney to further proxy, it is necessary to submit an uninterrupted sequence of powers of attorney together with documentation showing the power of attorney to act on behalf of previous proxies.

VOTING DURING THE GENERAL MEETING OF THE COMPANY

Presented below are the voting rules at the General Meeting of the Company, which are in line with the provisions of the Regulations of the General Meeting, Articles of Association and the Commercial Companies Code:

- Voting at the General Meeting is open. A secret ballot is made for elections and motions for dismissal of members of the bodies of Company to hold them accountable, as well as in personal matters. In addition, secret ballot is made at the request of at least one shareholder or its representative.
- The General Meeting can choose the Scrutiny Commission, whose duties include ensuring the proper conduct of each voting, supervising the computer service (in case of voting using

electronic technology) and determining voting results and transmitting them to the Chairman of the General Meeting.

- Each share gives right to one vote at the General Meeting. In case of preferred shares Series A1 (registered privileged share) one share gives the right to two votes.
- Chairman of the General Meeting shall announce the voting results, which are then brought to the minutes of the meeting.

6.2.2 GENERAL MEETING IN 2015

On 24 June 2015 the Ordinary General Meeting of CCC S.A. was held.

During the Ordinary General Meeting, the shareholders approved the annual statements on the operations of the Company and the Group CCC and the financial statements for 2014.

The General Meeting decided on the distribution of the profit earned by the Company in 2014 and decided to distribute profits in the amount of PLN 115,824,852.87 as follows:

1. the amount of 115,200,000.00 PLN allocated to dividend payments (PLN 3.00 per 1 share)
2. the remaining amount, i.e. PLN 624,852.87 allocated to capital reserve.

Simultaneously the Ordinary General Meeting determined the day of 23 September 2015 as the date the dividend and the day 8 October 2015 as the dividend payment date.

The Ordinary General Meeting after the adoption of the resolution on determining the number of members of the Supervisory Board for the next term of office 2015-2017 elected new members to the supervisory board in the person: Henryk Chojnacki, Marcin Murawski, Mirosław Stachowicz, Jerzy Suchnicki and Wiesław Oleś. Henryk Chojnacki was elected The Chairman of the Supervisory Board.

In addition, the General Meeting adopted a resolution on the amendment of the Articles of Association of the Company within the core business activities and changes in the extension of the participants of the incentive scheme for employees of subsidiaries to the Resolution No. 6 of the Extraordinary General Meeting of Shareholders as of 19 December 2012 on the conditional share capital increase and the issuance of subscription warrants with the exclusion of pre-emptive rights of shareholders with respect to shares issued within the conditional capital and subscription warrants and amendments in the Articles of Associations.

6.3 MANAGERIAL AND SUPERVISORY PERSONS AND THEIR COMMITTEES IN CCC S.A.

6.3.1 THE MANAGEMENT BOARD

COMPOSITION OF MANAGEMENT BOARD

W In 2015, the Management Board operated in the following composition ^[1]:

NAME AND SURNAME OF THE MANAGEMENT BOARD MEMBER	PERFORMED FUNCTION
Dariusz Milek	President of the Managemet Board
Mariusz Gnych	Vice-President of the Managemet Board
Piotr Nowjalis	Vice-President of the Managemet Board

[1] Composition of the Management Board in 2015 did not change



DARIUSZ MIŁEK | President of the Management Board

Appointed as the President of the Management Board on June 15, 2004.

Mr. Dariusz Miłek in 1993-2003 ran a business under the name Trade Company „Miłek” in Lubin, and since 1995 in Chróstnik. In 1999-2004 he worked in the CCC Sp. z o.o. (Ltd.) based in Polkowice as a proxy, and since 2002 as The President of the Management Board.

Since 2004 – he performs the function of the President of the Management Board in the Company CCC S.A.

The Laureate of prestigious competitions in the field of management. In 2007, Mr. Dariusz Miłek received the title of Entrepreneur of the Year 2007, and the opportunity to represent Poland in the competition for the World Entrepreneur of the Year in Monte Carlo, in 2014 he was awarded the “Kisiel” prize in the category of an entrepreneur, the laureate of the „Bulls and Bears” – Parkiet Newspaper as the best President in 2014, also awarded as Ambassador of Sports of the Free Poland.



MARIUSZ GNYCH | Vice-President of the Management Board

Appointed to the position of Vice President on 15 June 2004.

He graduated from his doctoral studies at the University of Economics in Wrocław; previously he graduated from study at the Faculty of Computer Science and Management at Wrocław University of Technology (major: organization and management), as well as the University of Banking in Poznań (Tax Consultancy) and studies at the Faculty of Law and Administration of the University of Wrocław (Investment Law). He has been related to CG CCC since 2000, in 2004 he was appointed the President of the Management Board of CCC Factory Sp. z o.o. and management board member of the CCC S.A, and since 2007 – Vice-President of the Management Board. Previously, he worked as the deputy mayor of Polkowice Commune, he had a seat in the board of Polkowice Housing Association Sp. z o.o. and Municipal Company Sp. z o.o.. Mariusz Gnych is entitled to sit on the supervisory boards of one-person companies of the State Treasury.



PIOTR NOWJALIS | Vice-President of the Management Board

Appointed to the position of Vice President on 16 December 2008.

A graduate of the Kozminski University (Executive MBA) and the University of Gdansk at the Faculty of Economics (major: International Economic and Political Relations, and at the Faculty of Law and Administration (major: Administration). He has been related to the Company CCC S.A. since 2008, initially as CFO and Vice President of the Management Board.

Previously, he was a member of the Management Board of the Company AB S.A., Director of Economic Affairs in M&S Pomeranian Window Factory M&S Pomorska Fabryka Okien Sp. z o.o. and CFO – Executive Director of KGHM Polish Copper S.A.. He also sits on the supervisory boards of TIM S.A. and Dino Poland S.A.

PRINCIPLES GOVERNING THE APPOINTMENT AND DISMISSING MANAGING PERSONS AND THEIR RIGHTS, ESPECIALLY THE RIGHT TO DECIDE ON THE ISSUE OR REDEMPTION OF SHARES

Members of the Board of the Issuer shall be appointed and dismissed by the Supervisory Board. The powers and principles of operation the Management Board of CCC S.A. are set out in the documents:

- Scheme of division of responsibilities for different areas of the Company's operations between the members of the Management Board (<http://firma.ccc.eu>)
- Articles of Association of the Company, which is available on the Company's website (www.ccc.eu)
- Regulations the Management Board, which is available on the Company's website (www.ccc.eu)
- Commercial Companies Code.

The Management Board of the Company is authorized in particular to:

- establish internal regulations of the Company and other normative acts of the Company;
- submit proposals to the Supervisory Board on matters of distribution of profits and covering losses;
- conclude employment contracts with employees of the Company who are not members of the Management Board;
- grant power of attorney;
- pass resolutions concerning the establishment and closure of branches of the Company;
- present proposals on all other matters to the Supervisory Board and the General Meeting;
- convene General Meetings.

The issue of new shares may take place after the adoption of the resolution by the General Meeting of the Company and it results in increasing the share capital of the Company. The regulations of the Commercial Companies Code and the provisions of the Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies are in force for the issuance of new shares and repurchase of shares.

POWERS OF THE MANAGEMENT BOARD

The scope of activities of the Management Board include conducting all the affairs of CCC S.A. not reserved by the Commercial Companies Code or the Articles of Association to the competence of other bodies of the Company. All members the Management Board of are obliged and entitled to manage the affairs of CCC S.A., manage all general operations of the Company, represent it externally and manage its assets. The Management Board is required to manage the assets and affairs of the Company with due diligence, follow the law, the provisions of Articles of Association, the Regulations of the Management Board and the resolutions adopted by the Supervisory Board and the General Meeting, in which – by law or the Articles of Association those bodies are empowered to make decisions binding the Management Board.

DESCRIPTION OF OPERATIONS AND ORGANIZATION OF THE WORK OF THE MANAGEMENT BOARD

The President of the Management Board is in charge of the Management Board who coordinates and manages the work of the Management Board. In the absence of the President, his competence in the organization of the work the Management Board is performed by Vice President who is directly in charge of the Finance Division, subsequently Vice President – who is in charge of the Division of Logistics and Production.

Powers of individual members the Management Board in matters of ordinary management are divided into areas of activity in which the individual members of the Management Board perform a leading role. Within the scope of functions, each member of the Management Board is assigned the appropriate responsibilities for running the affairs of the Company:

**PRESIDENT
OF THE MANAGEMENT BOARD | Dariusz Miłek**

- directs overall operations of the Company, supervises the execution of the tasks assigned to individual members of the Management Board and subordinate managers of organizational units;
- develops a strategy and directions of development of the Company;
- supervises the expansion of the Capital Group CCC S.A., including making decisions on locations of new sales facilities;
- plans and supervises trade and product policy, promotional and marketing activities of the Company.

**VICE-PRESIDENT
OF THE MANAGEMENT BOARD | Mariusz Gnych**

- is responsible for the implementation process of production, efficient planning and coordination of work related to the operation of the factory located in Polkowice;
- is responsible for the implementation and realization of investment projects within Legnica SEZ in Polkowice;
- supervises the course of logistics processes, including supply chain management in the Capital Group CCC S.A.

**VICE-PRESIDENT
OF THE MANAGEMENT BOARD | Piotr Nowjalis**

- is responsible for all economic-financial and organizational issues of the Company; and in particular for financial policy, investor relations, capital allocation and their acquisition;
- supervises the implementation of tasks resulting from the Act on accounting and the law on income tax from legal persons;
- supervises the activities of foreign subsidiaries;
- supervises personnel policy executed in the Capital Group CCC S.A.

CORPORATE GOVERNANCE

[in mln PLN unless otherwise stated]

**6.3.2
SUPERVISORY BOARD****COMPOSITION OF THE SUPERVISORY BOARD**

Composition of the Supervisory Board of CCC S.A. as of 31 December 2015:

NAME AND SURNAME OF SUPERVISORY BOARD MEMBER	PERFORMED FUNCTION
Henryk Chojnacki	Chairman of the Supervisory Board elected on 24 June 2015. (VI term of office)
Wiesław Oleś	Member of the Supervisory Board elected on 24 June 2015. (I term of office)
Marcin Murawski	Member of the Supervisory Board elected on 24 June 2015. (III term of office)
Jerzy Suchnicki	Member of the Supervisory Board elected on 24 June 2015. (I term of office)
Mirosław Stachowicz	Member of the Supervisory Board elected on 24 June 2015. (I term of office)

With effect from 24 June 2015, the mandates of the members of the Supervisory Board expired:

NAME AND SURNAME OF SUPERVISORY BOARD MEMBER	PERFORMED FUNCTION
Henryk Chojnacki	Chairman of the Supervisory Board elected on 26 June 2013 (V term of office)
Martyna Kupiecka	Member of the Supervisory Board elected on 26 June 2013. (V term of office)
Marcin Murawski	Member of the Supervisory Board elected on 26 June 2013. (II term of office)
Wojciech Fenrich	Member of the Supervisory Board elected on 26 June 2013. (III term of office)
Jan Rosochowicz	Member of the Supervisory Board elected on 26 June 2013. (I term of office)



HENRYK CHOJNACKI **Chairman of the Supervisory Board**

Henryk Chojnacki is a certified auditor. In the years 2002 – 2006 the Chairman of the Management Board of the Office of Chartered Accountants „Ekspert-Księgowy” Sp. z o.o. based in Legnica, which he is a partner now. He is also a partner of Accounting Office „Aktywa” a partnership company in Jawor. Henryk Chojnacki is the Chairman of the Supervisory Board „Tartak” Sp. z o.o. based in Prochowice, and since 2004 he serves fully corresponding function in the Company CCC S.A. based in Polkowice. In addition, he is a member of the Supervisory Board of the Company PPU „HEMIZ” Sp. z o.o. based in Prochowice.



WIESŁAW OLEŚ **Member of the Supervisory Board**

He is the originator and founder of the Office of Legal Advisers „Oleś & Rodzynkiewicz” sp.k., he graduated from law studies at the Faculty of Law and Administration at the Jagiellonian University in Cracow. After graduating from a judge application, in 1991, he took a judicial exam, and in 1993, he obtained the entitlement of a legal adviser. After graduating from studies, Wiesław Oleś was a member of the Regional Audit Chamber in Cracow, a consultant of programs of the US Agency for International Development (USAID) and collaborated, among others with: of the Harvard Institute for International Development; he is a member of Lesław Paga Foundation Council and Chairman of the Supervisory Board of Investment Funds Association Forum S.A., since 2015 he is a member of the supervisory board of CCC S.A. Wiesław Oleś is a lawyer recommended by „Chambers Europe Guide – Europe’s Leading Lawyers for Business”.



MARCIN MURAWSKI **Member of the Supervisory Board**

He graduated from studies at the Faculty of Management at Warsaw University, he is a certified auditor in the UK (ACCA Practicing Certificate), the entitlements of KIBR (Polish Certified Auditor No. 90053) and the CIA (Certified Internal Auditor). He is an independent member of supervisory boards and audit committees of companies listed on the WSE: GTC S.A., Apator S.A., since 2012 CCC S.A.

In the years 1997-2005 he worked at PricewaterhouseCoopers Sp. z o.o. – Manager in the Audit Department and then until 2012 he worked in the group Warta as a Director of Department of Internal Audit and Inspection. Approved candidate PID (Polish Institute of Directors) for a member of the supervisory board and audit committees.

CORPORATE GOVERNANCE

[in mln PLN unless otherwise stated]



MIROSLAW STACHOWICZ
Member of the Supervisory Board

He is a graduate of the university: Canada – Carleton University, Norman Patterson School of International Studies, US – Johns Hopkins University School of Advanced International Studies and Polish – Jagiellonian University, Faculty of Law, Institute of Political Sciences.

During over 20-year career he has held the positions of Director General of Bestfoods, Managing Director, Poland, Eastern Europe and Russia in ICI Paints, and then Managing Director of AkzoNobel Deco (Central Europe). Currently, he is a Member of the Supervisory Board of Stock Spirits Group PLC; Nitroerg S.A, the company of KGHM Group; Vice-Chairman of the Supervisory Board of Harper Hygienics SA, Chairman of the Supervisory Board Group Pracuj S.A., and a member of the Supervisory Board of the CCC S.A. since 2015.

Mirosław Stachowicz is a member of the World Presidents' Organisation, the Polish Institute of Directors, and participates in the works of the Forum of the Supervisory Boards of PWC and the KPMG Institute of Audit Committees.



JERZY SUCHNICKI
Member of the Supervisory Board

He graduated from studies at the Foreign Trade Department of the University of Planning and Statistics (currently SGH Warsaw School of Economics) in Warsaw. From 2014 he is an expert of evaluation and assessment of plans for the development of the largest companies in the Access 2 and a member of IMAP (International Network of Merger & Acquisition Partners). Currently, he is a Member of the Supervisory Board of Ferrum S.A., and since 2015 in CCC S.A.. In 2010-2013, he was a director, deputy director of the Department of Bad Loans of the Bank Gospodarstwa Krajowego. In 2006-2009 Jerzy Suchnicki was the CEO of PKP Cargo Service. In 2003-2005, he was the President of the Management Board of Mostostal Zabrze Holding S.A.

Previously, Jerzy Suchnicki was related with Bank Handlowy, Raiffeisen Investment Poland and Bank of Economic Initiatives S.A. He also worked in the Chair of Economics of SGH School of Economics.

THE RULES GOVERNING THE APPOINTMENT AND DISMISSAL OF SUPERVISORY PERSONS

Members of the Supervisory Board of CCC S.A. are appointed for a joint two-year term of office. Individual members of the Management Board and the entire Supervisory Board may be dismissed at any time before the end of the term of office. The General Meeting of CCC S.A. appoints the Chairman of the Supervisory Board from the members of the Supervisory Board. The Supervisory Board of CCC S.A. consists of five to seven members. Members of the Supervisory Board are appointed and dismissed by the General Meeting. The Ordinary General Meeting of CCC S.A. appointed members of the Supervisory Board for a new term of office on 24 June 2015. (CR 40/2015).

According to the Articles of Associations of CCC S.A., the Supervisory Board should consist of at least two members who meet the independence criteria specified in the Code of Best Practice for WSE Listed Companies.

Pursuant to the Articles of Association of CCC S.A. and in accordance with the Best Practices of WSE, at least two members of the Supervisory Board should meet the criteria of independence. Independent board members should meet the independence criteria set out in the Commission

Recommendation of 15 February 2005 on the role non – executive directors or being members of supervisory of listed companies and supervisory board committee (2005/162 / EC) with regard to the Code of Best Practice for WSE Listed Companies in 2016.

At least one member of the Supervisory Board meeting the independence criteria, referred to in paragraph 4 of Articles of Association of the Company, shall moreover meet the independence criteria specified in the Act of 7 May 2009 on certified auditors and their self-government, entities authorized to audit financial statements and on public supervision (Journal of Laws 2015.1011)

Members of the Board provided the Management Board and the General Meeting of Shareholders a statement on compliance with the independence criteria. The Supervisory Board after making the assessment adopted at its meeting on 2 September 2015 the Resolution No. 01/09/2015 / RN on determining the number of members of the Supervisory Board meeting the criteria of independence, stating that all Board members meet the independence criteria.

POWERS OF SUPERVISORY BOARD

The Supervisory Board takes appropriate steps to obtain from the Management Board regular and thorough information on all important matters concerning the activities of CCC S.A. and on the risk related to the business activities and ways of managing such risks. Specific powers and rules of operation of the Supervisory Board of CCC S.A. are set out in the following documents:

- Articles of Association of the Company, which is available on the Company's website (www.ccc.eu)
- Rules of the Supervisory Board, which is available on the Company's website (www.ccc.eu)
- Resolutions of the General Meeting,
- Commercial Companies Code and other applicable laws.

CORPORATE GOVERNANCE

[in mln PLN unless otherwise stated]

DESCRIPTION OF OPERATIONS AND ORGANIZATION OF THE SUPERVISORY BOARD

Mode of operation of the Supervisory Board is determined by the Company's Articles of Association and Regulations of the Board. The Supervisory Board performs its duties collectively, but may delegate its members to temporarily perform certain supervisory activities independently. The Supervisory Board shall meet as needed, not less than three times a year.

The meetings are convened at least one week in advance by fax, registered mail or e-mail. The Supervisory Board meetings shall be convened by its Chairman on his own initiative, at the request of the other members of the Supervisory Board or the Management Board. In case of submitting a Chairman of the Supervisory Board of application referred to above the Board meeting should be held within two weeks from the date of filing the application. Without formally convening of a meeting the Supervisory Board the resolution may be adopted, if all members of the Supervisory Board agree

to its adoption. Each member of the Supervisory Board may apply for placing certain matters on the agenda of the next meeting of the Supervisory Board, provided that date is no later than three days before the meeting of the Supervisory Board.

The Supervisory Board may adopt a resolution only if at least half of the members of the Board is present at the meeting and all its members are invited. A resolution adopted contrary to the requirements laid down in this provision is invalid. Members of the Supervisory Board may adopt resolutions in writing or using means of direct remote communication. The resolution is valid if all the Supervisory Board members received notification of the draft resolution.

6.3.3 COMMITTEES

The Supervisory Board of CCC S.A. may appoint permanent committees or ad hoc acting as its collective advisory and opinion bodies. Within the Supervisory Board there operate no committees. Due to the fact that the Supervisory Board functions in the minimum, provided for by law, of five members, the Supervisory Board did not establish any separate committees. The tasks of the committees referred to in Annex I to the Commission Recommendation on

the role non – executive directors or being members of supervisory of listed companies and on the committees of the (supervisory) are implemented directly by the full Supervisory Board. The Supervisory Board of CCC S.A. performing the duties of the audit committee monitors the effectiveness of the Company's internal control, internal audit and assessed the significant risk factors and threats to which the Company is exposed.



6.4

REMUNERATION OF THE EXECUTIVE MANAGEMENT OF CCC S.A.

6.4.1

REMUNERATION POLICY OF THE MANAGING AND SUPERVISORY PERSONS

The principles of remuneration for members the Management Board are determined by the remuneration policy of the members of the management board of CCC S.A.. In determining the amount of remuneration of the members of the Management Board, the Supervisory Board should take into account the amount of work necessary for the proper performance of the functions of the Management Board member, the scope of duties and responsibilities associated with the duties of a member of the Management Board and the level of remuneration in a similar position used by other entities operating on the market; remuneration of the members the Management Board corresponds to the size of the company and remains in reasonable relation to the economic results of the Company.

6.4.2 PRINCIPLES OF GRANTING BONUSES

In order to improve quality and efficiency of work of Management Board members, their remuneration is determined taking into account the incentive character and the effective and smooth management of the Company, and therefore it is composed of fixed elements – monthly remuneration adopted by the Supervisory Board and the moving parts, i.e. additional remuneration granted by the Supervisory Board after the first and second half of the year and dependent on the profits realized by the Company and the extent of the tasks realization. The level of the bonus depends on the performance of individual tasks (qualitative and quantitative)

established by the Supervisory Board for individual members of the Management Board. The performance evaluation of individual bonus tasks by particular Member of the Management Board is carried out every six months by the Supervisory Board.

The Supervisory Board adopts a resolution on granting the Management Board Member additional remuneration for the first half of the data at the first meeting after its completion. The resolution is the basis for the payment of additional remuneration.



CORPORATE GOVERNANCE

[in mln PLN unless otherwise stated]

6.4.3 REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD AND OTHER BONUSES

SPECIFICATION	2015	2014
Remuneration of the members of the Management Board including:		
– remuneration and other benefits	2 040 000	2 040 000
Dariusz Miłek ^[1]	840 000	840 000
Mariusz Gnych ^[2]	480 000	480 000
Piotr Nowjalis ^[3]	720 000	720 000
– bonuses for the previous year	950 000	600 000
Dariusz Miłek	—	—
Mariusz Gnych	450 000	300 000
Piotr Nowjalis	500 000	300 000
Total	2 990 000	2 640 000

[1] For 2015, Mr. Dariusz Miłek additionally received under the contract of employment remuneration in the amount of PLN 30,000 in the subsidiary CCC Factory Sp. z o.o. (2014 – PLN 30,000);

[2] For the 2015 Pan Mariusz Gnych additionally received remuneration in the amount of PLN 90,000 for performing functions in the management of subsidiary CCC Factory Sp. z o.o. (2014 – PLN 90,000);

[3] For the 2015 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. (2014 – 30,000 PLN).

NUMBER OF POTENTIALLY DUE SUBSCRIPTION WARRANTS

SPECIFICATION	2015	2014
Dariusz Miłek	—	—
Mariusz Gnych	50 000	50 000
Piotr Nowjalis	50 000	50 000
Total	100 000	100 000

Managing persons due to their functions in the companies of the Capital Group CCC S.A. do not take remuneration other than those indicated in Table.

6.4.4 REMUNERATION OF SUPERVISORY BOARD OF CCC S.A.

SPECIFICATION	2015 [GROSS PLN]	2014 [GROSS PLN]
Henryk Chojnacki ¹⁾	50 000	24 000
Wiesław Oleś ²⁾	24 000	—
Marcin Murawski ³⁾	37 500	18 000
Mirosław Stachowicz ⁴⁾	24 000	—
Jerzy Suchnicki ⁵⁾	24 000	—
Wojciech Fenrich ⁶⁾	13 500	18 000
Jan Rosochowicz ⁷⁾	13 500	18 000
Martyna Kupiecka ⁸⁾	13 500	18 000
Ogółem	200 000	96 000

1) For the period from 01.01.2015 to 01.12.2015

2) For the period from 24.06.2015 to 31.12.2015

3) For the period from 01.01.2015 to 01.12.2015

4) For the period from 24.06.2015 to 31.12.2015

5) For the period from 24.06.2015 to 31.12.2015

6) For the period from 01.01.2015 to 24.06.2015

7) For the period from 01.01.2015 to 24.06.2015

8) For the period from 01.01.2015 to 24.06.2015

Managing persons due to their functions in the companies of the Capital Group CCC S.A. do not take remuneration other than those indicated in the Table.

6.5

RISK MANAGEMENT

6.5.1

DESCRIPTION OF THE MAIN CHARACTERISTICS OF THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT IN RELATION TO THE PROCESS OF PREPARING FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

The financial statements and consolidated financial statements prepared in accordance with:

1. International Financial Reporting Standards, approved by European Union.
2. Accounting Act of 29 September 1994, (unified text – Journal of Laws of 2013, item 330, as amended)
3. Articles of Association of the Company CCC S.A.
4. Accounting standards existing in CCC S.A. and the standards existing in the subsidiaries,
5. internal accounting records procedures.

The process of drawing up reports is covered by a system of internal control and risk management system, which contributes to maintaining the credibility and reliability of financial reporting and compliance with laws and internal regulations.

The internal control system includes:

1. controlling activities carried out by employees of the companies of CG CCC S.A. on their assigned tasks and responsibilities,
2. controlling function, implemented by the supervision over subordinate organizational units by all employees in managerial positions,
3. controlling carried out by the internal audit, the aim of which is to make an independent and objective evaluation of risk management and internal control

Risk management in the process of preparing financial statements is based on the identification and assessment of risks along with defining and undertaking measures to minimize them or their total elimination. Chief Accountant

and the Vice-President for the Financial Affairs of the Company supervise the preparation of the financial statements who financial and accounting services are subject to. The risk management process begins at the lowest levels of the Group so as to ensure the fulfillment of its assumed objectives. Risk management in the Group CCC is a process supervised by the Management Board and key management personnel. Moreover, independent audits of internal financial and accounting processes are carried out. The correctness of financial reporting is also verified by the members of the Supervisory Board within the framework of the tasks entrusted to the audit committee of the Supervisory Board. In order to confirm that the data contained in the financial statements with the facts and accounting records maintained by the Company, the report is subject to a certified audit by an independent certified auditor, who issues opinions on the subject. All actions taken by the company are aimed at ensuring compliance with the law and the current condition, and early identification and elimination of potential risks so that they cannot affect the reliability and accuracy of presented financial data.

6.5.2 SCOPE OF THE SYSTEM OF RISK MANAGEMENT IN THE GROUP

The main objectives of risk management:

- ensuring the safety of operations of the Company,
- ensuring effectiveness of undertaken decisions aimed at maximizing profits at an acceptable level of risk

Risk Management Policy in the Group CCC, defines main objectives, principles, risk factors and ways to reduce them to ensure the control of risks that could adversely affect the Group CCC. This policy is required and followed by all companies of the Group CCC. The risk management policy is still being developed and supplemented by detailed regulations covering individual areas of risk in the Group, including:

- The remuneration policy of the Management Board
- Anti-corruption policy,
- Code of Ethics,
- Supplier Code of Conduct,
- Purchasing policy,
- Security Policy of IT systems
- Health and safety policy,
- Environmental policy.

6.5.3 BODIES RESPONSIBLE FOR RISK MANAGEMENT IN THE GROUP

Below we present the bodies responsible for risk management in the Group CCC together with the scope of their duties:

- Management Board of CCC S. A.:
 - Acceptance of Risk Management Policy in the Group CCC, on the basis of which Risk Management System is implemented.
- Supervisory Board performing tasks of the Audit Committee of CCC S. A.:
 - Periodic checking of the accuracy and efficiency of the Risk Management Policy, the aim of which is to ensure that all major risks are identified and an adequate system of management was implemented.
- Internal auditor
 - Periodic verification of the effective functioning of the systems and functions relating to: implementation and maintaining effective internal control systems, risk management, compliance and internal audit functions.
- Finance Division:
 - Implementation of Risk Management System in the Group CCC,
 - Supervision of staff responsible for risk management in the Group CCC,
 - Continuous accumulation of knowledge and techniques aimed at improving the effectiveness of risk management systems,
 - Monitoring of the Risk Management System and ensuring its integration with the processes occurring in the Group CCC.
- Managerial personnel:
 - Increasing awareness of the validity of the Risk Management System,
 - management of available resources in order to implement and ensure the highest efficiency of Risk Management System,
 - Verification of plans and targets concerning the development of the Risk Management System.

6.5.4 PERMISSIBLE LEVELS OF RISK ACCEPTED BY THE GROUP

Group CCC is based on the fundamental criteria that are used to identify, assess and determine the validity of risk, which are based on the concept of risk tolerance. A very important factor in the operation of the management of the Group is to determine the strategy and acceptable level of risk, which must take into account the value of risk that the Group is willing to accept to be acceptable to ensure the realization of its objectives. This level is regularly updated, and changed whenever the Group CCC changes operation strategy.

In case when an acceptable level of risk for the Group's strategic objectives CCC shall be determined, it is also included in the Risk Management System, which is associated with its strict compliance.

6.5.5 SIGNIFICANT RISK FACTORS

CCC S.A. identified the the following risks, which are presented below, along with their description and actions taken to minimize their effects.

RISKS OF STRATEGY IMPLEMENTATION

RISK AREA	DESCRIPTION OF RISK	ACTIONS TAKEN
Strengthening own sales chain	The Company will plan development of CCC sales chain in Poland. In case of non-implementation of its assumed objectives, the Group may prove to be less competitive than its competitors, and thus lose market share, which could result in lower revenues. At the same time in case of chain development, contrary to the demand, the Group may incur costs higher than necessary.	In order to minimize the risks associated with the strengthening of own sales chain, the Company introduced the following solutions: <ul style="list-style-type: none"> • monitoring the activities of competitors, • monitoring the situation in the industry, • monitoring of the macroeconomic situation, • creating a detailed plan and a dedicated team responsible for the implementation of the objectives connected to the development of own sales chain.
Activities aimed at increasing brand recognition and value of the brand	Increase of brand recognition and its value can contribute to the increase in keeping regular customers, as well as to increased growth in new customers. The result will lead to an increase in market share and revenue. In case of fall in brand recognition and its value the outflow of customers may occur and a drop in market share and ultimately a drop in revenue.	Company in order to ensure further increase in brand recognition and value of the brand has undertaken the following actions: <ul style="list-style-type: none"> • the introduction of appropriate instruments and advertising – promotion media, • the introduction of interesting interior of stores • presence of stores in prestigious locations.
Location of commercial facilities	The location of commercial facilities is an important factor in the attractiveness of the brand to consumers. Inappropriate choice of location, may lead to low profitability of m2, and thus to reduce the Group's profitability. Strengthening the market position by the dynamic development of the chain of commercial facilities may be associated with the risk of an unfortunate location of the store, and with a limited number of new, attractive locations.	The Company in order to ensure the appropriate choice of location of commercial facilities, carry out a detailed analysis of the location before deciding to sign a lease agreement, and bases their decisions on historical data.

CORPORATE GOVERNANCE

[in mln PLN unless otherwise stated]

EXTERNAL RISKS

RISK AREA	DESCRIPTION OF RISK	ACTIONS TAKEN
Exchange rate risk	CCC S.A. realize income in PLN. Most of the costs is borne in foreign currencies. Exchange rates of USD and EUR will affect the structure of revenues and expenses. The company also grants loans in foreign currencies, therefore exchange rates of EUR, TRY, BGN, USD will affect the reporting of foreign exchange differences in the statement of profit or loss..	The Company has undertaken the following measures to reduce the impact of exchange rate risk: <ul style="list-style-type: none"> • continuous monitoring of significant, for the Company, changes in exchange rates,
The risk of changes in interest rates	Company is exposed to the risk of changes in interest rates, in connection with the loan agreements. These loans bear interest at a variable interest rate based on WIBOR. Increase in interest rates will affect the amount of interest paid on loans and bonds.	The Company has undertaken the following measures to reduce the impact of interest rate risk: <ul style="list-style-type: none"> • diversification of sources of capital, • monitoring key interest rates.
The risk of the overall economic situation	CCC S.A. conducts business activity primarily on the Polish markets, so for the Company's consumer purchasing power and propensity to consume is important. The economic downturn could have a negative impact on results of operations and financial position of the Company.	The Company has undertaken the following measures to reduce the impact of risk of the overall economic situation: <ul style="list-style-type: none"> • monitoring the economic situation in the world and in the countries important for the Company, as well as suitable adjustment to the CCC S.A. strategy, • monitoring of important economic indicators (unemployment rate, GDP per capita, CPI).
Seasonality of sales and weather conditions	Sales and inventory value depends on the seasonality of demand (peak of demand is in spring and autumn). The disorder of weather conditions may result in putting away customer purchase decisions or shortening the season of the highest sales.	Element in reducing the sensitivity of CCC S.A. to seasonal factors and weather is having its own manufacturing capacity. Company is able to rapidly adjust production and deliver goods to shops line with expectations and current weather conditions.
Trends in fashion and unsuccessful collections	CCC S.A. is exposed to risks associated with unsuccessful collections of footwear.	The factor enabling to reduce this risk is a long-standing market experience of the parent company, permanent observation of trends in the European and world fashion (participation in international fairs of footwear fashion I, inter alia: Milan, Garda, Dusseldorf).



7. EMPLOYEES





CCC
SHOES & BAGS

EMPLOYEES

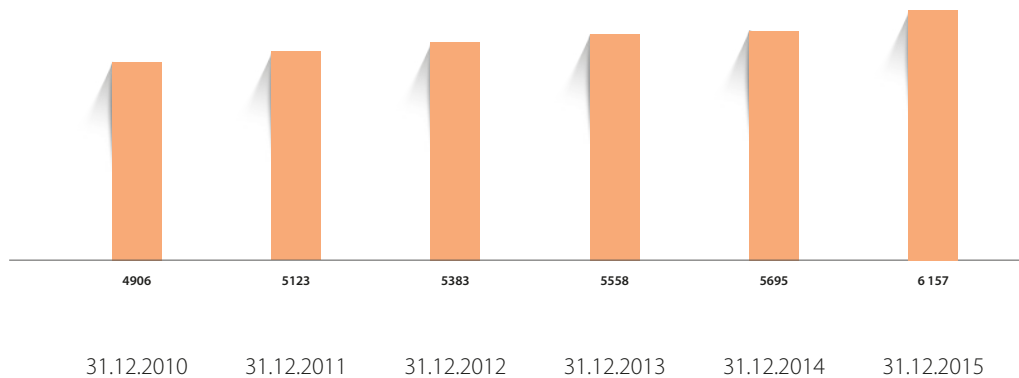
[in mln PLN unless otherwise stated]

7.1 EMPLOYMENT STRUCTURE

Employees of the CCC constitute an important capital of the organization, every day they accomplish the objectives of the Company's strategy, which allows for increasing the development potential of the Group. The measure of commitment and efficiency of employees is the satisfaction of our Customers and Shareholders.

EMPLOYEES**[in mln PLN unless otherwise stated]**

As of December 31, 2015, CCC S.A. employed 6157 employees compared to the previous year, employment grew by 462 people. Below we present the way structure of employment in individual years was shaped:



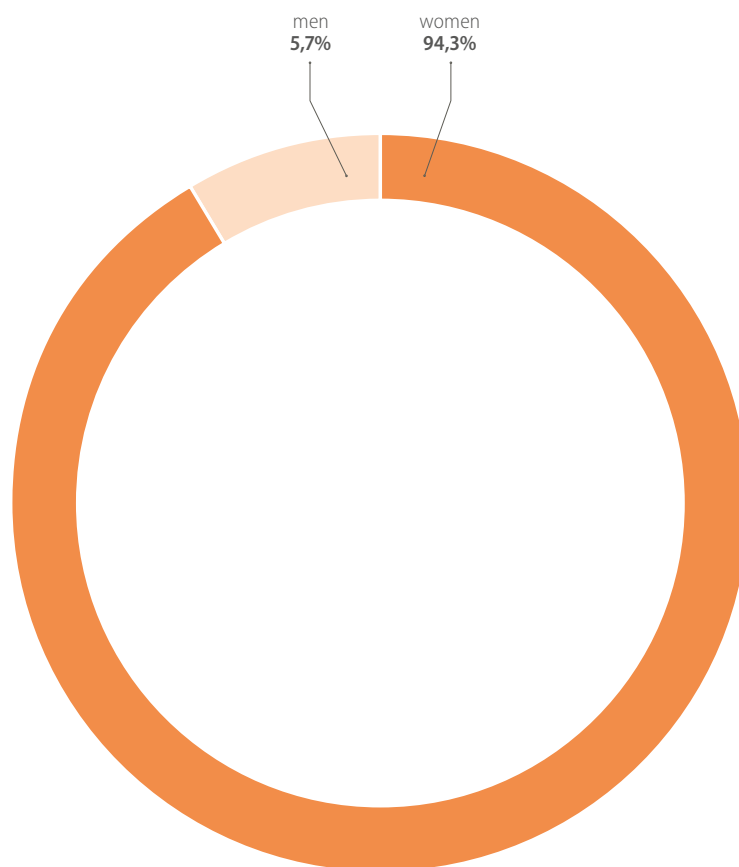
In the past few years, the number of employees has grown steadily. The largest share of the number of employees are the employees of the stores – approx. 88.6%, while administrative staff account for only 1.7% of total employment. In comparison y / y number of employees has increased by 8.1%. Detailed data are presented in the following table.

	2015			2014			CHANGE IN %
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
Employees of stores	5 325	129	5 454	5 026	99	5 125	6,42%
Logistics employees	391	206	597	289	185	474	25,95%
Administrative employees	92	14	106	85	11	96	10,42%
All employees	5 808	349	6 157	5 400	295	5 695	8,11%

EMPLOYEES

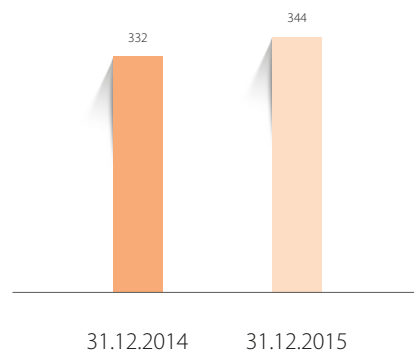
[in mln PLN unless otherwise stated]

Due to the nature of the business, a large percentage is the number of women employed in the Company, which is 94.3% of total employment. The number of employed men as compared y / y increased by 18.3% whereas the number of employed women compared to 2014 increased by 7.6%



EMPLOYMENT OF DISABLED PEOPLE

In addition, operating conditions enable to employ in the Group of people with disabilities. As of 31.12.2015, the Group employed 332 disabled persons, which is approx. 5.4 % with respect to all employees.



THE REMUNERATION POLICY OF ALL EMPLOYEES

The remuneration policy in the Group is based on the principle of equality. The size of the remuneration of employees is dependent on the level of their competence and level of commitment.

EMPLOYEES

[in mln PLN unless otherwise stated]

7.2 DEVELOPMENT PROGRAMS FOR EMPLOYEES

The Group CCC implementing policies related to the management of the potential of employees is guided by the following values:

ACTION

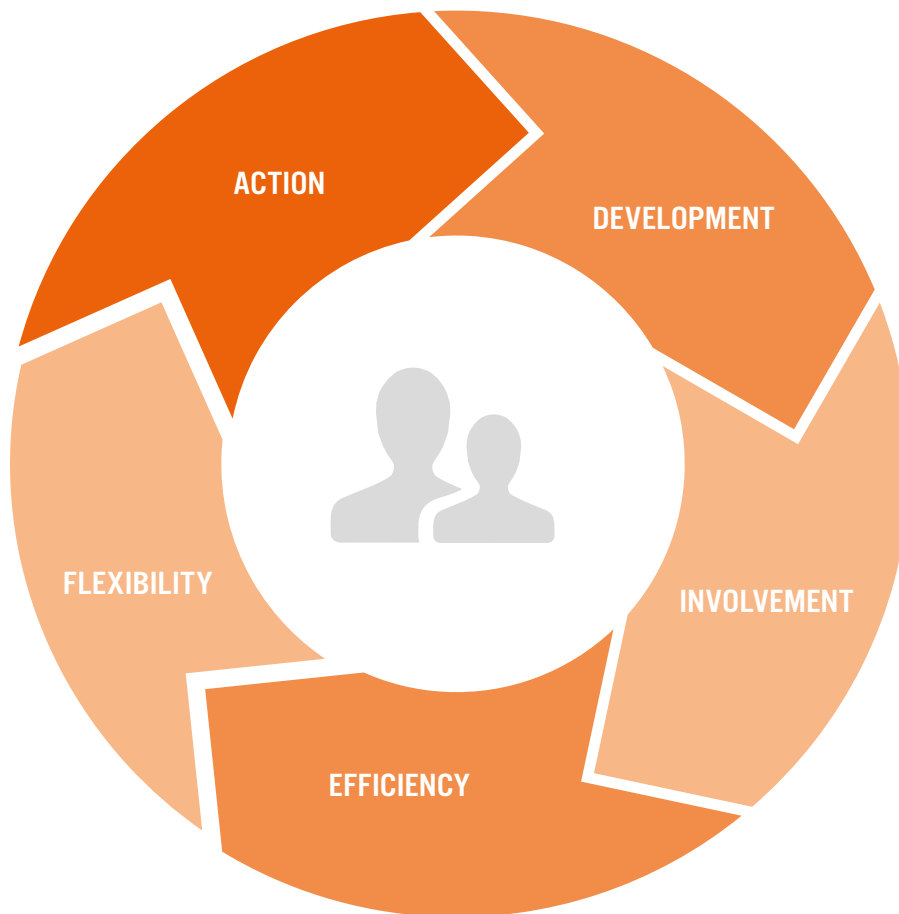
supported by FLEXIBILITY, which means a rapid response in business necessity situations and the implementation of non-standard ideas

DEVELOPMENT

through ACTION, which is undertaking actions aimed at the development of the entire Capital Group

INVOLVEMENT

in the DEVELOPMENT, every employee is part of a team striving to achieve a common goal contained in the Group's strategy

**FLEXIBILITY**

leading to EFFICIENCY, which means the perception of changes as new opportunities, as well as the continuous responsiveness to customers' needs

EFFICIENCY

thanks TO COMMITMENT, undertaking activities aimed at the realization of the objectives with the optimal use of available resources

EMPLOYEES

[in mln PLN unless otherwise stated]

GROWTH AND DEVELOPMENT OF EMPLOYEES' POTENTIAL

The CCC Group implements numerous programs enabling the possibility of Employees' development. Development activities and training of the employees of the Group CCC are implemented in such a way as to ensure the achievement of business objectives of adopted in the strategy and increase employees' involvements.

The Academy of a Manager The Capital Group realizes the annual project the Academy of a Manager, designed to ensure greater effectiveness in the area of the Group's sales, as well as enable a valuable exchange of experience. This project allows the improvement of managerial skills,

presents aspects connected with building relationships in the team, motivating employees and the use of methods of coaching.

Training and learning foreign languages The employees are constantly improving their skills, they benefit from the programs for development through participation in training courses, conferences, symposia, seminars, workshops and studies financed or co-financed by the Employer. The CCC Group are also organizes stationary or e-learning language courses. These actions are intended to acquire the knowledge necessary to carry out tasks or its refreshing.

RECRUITMENT AND ATTRACTING TALENTS

You study – You work One of the significant development programs in the company was launching post-graduate studies under the title „Management of foreign expansion and development.” The studies were the project jointly implemented by the University of Economics in Wrocław and CCC S.A. in the period of February 2015 – March 2016. The innovative design was directed to people starting their careers, and also to those who were interested in an international career. This project helped to attract employees

with high and specialized skills, who are willing to pursue foreign challenges. There were qualified 34 out of 90 candidates in the project.

Practice and internship programs CCC cooperates closely with Employment Offices, thereby creating jobs for university graduates, secondary schools graduates and vocational schools graduates. In 2015, out of 145 completed internships 127 employees were hired, which represents 87.59%.

COMMUNICATION

In the Group there is also a multi-channel communication scheme thanks to which the employees are informed about ongoing changes and development plans of the Group. In addition, once a year survey of job satisfaction is carried out, which enables recognition of the needs of employees and the elimination of reported irregularities, which increases the involvement increase of employees and strengthens our position in the market.

The Group CCC in its action is guided by high ethical values, and therefore within the company there operates a Code of Ethics. The Code defines the principles, both in relations with colleagues and suppliers and contractors. The purpose of the Code is the ability to implement processes and procedures to prevent the occurrence of violations, as well as to take action in case when events against the law, regulations and ethical standards occur.



8. COMMITMENT OF CCC





CCC
SHOES & BAGS

COMMITMENT OF CCC

[in mln PLN unless otherwise stated]

8. COMMITMENT OF CCC

The Group CCC takes into account in its long-term strategy for the development policies for sustainable economic development through the promotion of social progress and taking into account aspects of environmental protection of the Company's investments. CCC fulfilling the tasks set out in the Group's strategy takes into account all the regulations applicable by law.

SPONSORSHIP POLICY OF CG CCC S.A.

THE AIM OF THE SPONSORSHIP POLICY

CCC.eu Sp. z o.o., a subsidiary of CCC S.A. is responsible for a sponsorship policy of CG CCC S.A. The Company implements a sponsorship policy in accordance with the strategic and marketing objectives of the Capital Group CCC S.A. The aim is to build a positive image, increase brand awareness and popularization of trademark by targeting sponsoring activities to the relevant target groups. Implementation of sponsorship assumptions helps to ensure mutual benefits for both the sponsor and the sponsored entity.

PRINCIPLES OF A SPONSORSHIP POLICY

Sponsoring activities can be carried out both by CCC.eu Sp. z o.o., CCC S.A. as well as other subsidiaries, which should obtain the consent of the Management Board of CCC S.A.

It is possible to participate in projects that actually will affect the achievement of the policy of sponsorship, both locally, nationally and internationally.

Having regard to the image of the entire Capital Group, of the Company, when selecting sponsoring ventures, in particular one should pay attention to the aspects such as: the nature of the project consistent with the area of interest, experience and good reputation of the organizer.

It is not allowed to engage in the project: equated with another brand, promote discriminatory actions or generally considered controversial, threatening the environment, the nature of which is quite different from the image of CCC Group S.A., held by individuals.

AREAS OF SPONSORSHIP ACTIVITY

The strategic focus of sponsoring is sport. The disciplines are subsidized, which in a way above average positive affect the image of CG Group CCC S.A., in particular priority is given to professional and amateur cycling. CG CCC S.A. supports the national team, a professional cycling group and promotes a healthy lifestyle among children and young people, co-participating in the development of cycling schools. Also cycling events are sponsored, mostly local ones.

Apart from sport sponsorship, GK CCC S.A. It is also involved in social projects, which are identical to the nature of activity of CCC S.A. and the impact on improving the quality of life for people most in need.

COMMITMENT OF CCC

[in mln PLN unless otherwise stated]

**SPONSORSHIP EVENTS
AND SOCIAL ACTIVITY OF CCC**

The superordinate values guiding the Group CCC is engaging in the local community and the promotion of sport and physical activity. These activities are carried out jointly with the cycling team CCC Sprandi Polkowice. In 2015, CCC participated in approx. 30 charity events. Most of them were carried out in the local community and on social networking sites.

Last year, riders of the Group CCC Sprandi Polkowice visited patients of the County Children's Hospital in Lubin and students from local schools. For the first time in 2015. The group was the organizer of the „Choose with us the most orange town in Poland”, the winners of the contest along with selected charges of a nearby orphanage had an opportunity

to accompany the team of CCC Sprandi Polkowice during the Tour de Pologne. Within all meetings the cyclists handed numerous gadgets and information material promoting an active lifestyle. The CCC Group also encourages its employees to active leisure activities. The carried out action „I Choose a Bike” was to encourage co-workers to train outdoors.



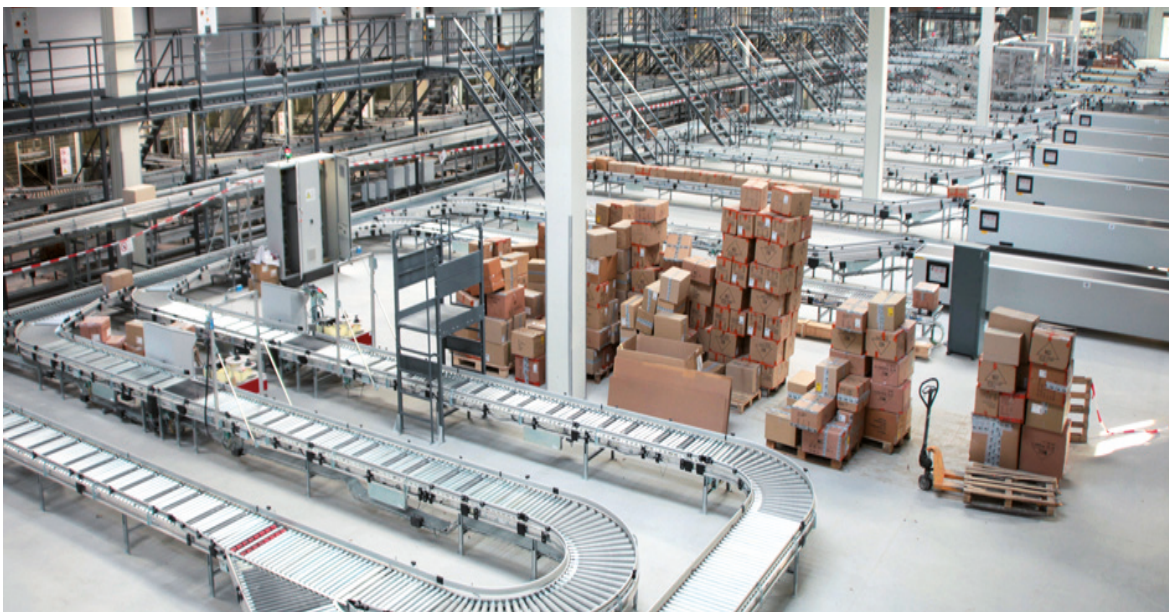
CCC AND THE ENVIRONMENT

The Group CCC acts for the sake of the natural environment, while promoting the ecological behaviour among their employees. Separate waste containers which enable segregation are placed in the buildings of the Group. Through internal communication channels of the Group, the employees are encouraged to comply with ecological principles.

Green energy The concern about maintaining the balance between economic growth and environmental protection is an important aspect of the Group CCC. As an innovative company, CCC obtains part of the electricity from installed in the Logistics Centre in Polkowice – photovoltaic farm. The decision to install 459 photovoltaic panels aimed at protecting the natural environment, and economic elements – including savings connected with the production of its own energy.

In addition, in 2015 the CCC realized many projects aimed at reducing the impact on the natural environment, one of the major changes was the modernization of lighting systems in warehouses and the factory, which resulted in reducing energy consumption by 55% compared to the alternative of LED lighting. In these places lighting system controlled by motion sensors was installed and detectors adapting the lighting level in production places were also installed. In warehouses and the factory modern ventilation systems were also installed and this installation allows the recovery of warm air which results in lower consumption of gas and energy. With the aim of obtaining information about the level of energy consumption in some buildings of the Group, CCC has implemented a system for optimal management of buildings devices, lighting and exclusions.

The Group's installations, devices and technical equipment of buildings do not emit noise, vibrations and other disturbances, which could negatively affect employees and residents.



9. STATEMENTS OF MANAGEMENT BOARD





CCC
SHOES & BAGS

9.1

STATEMENT ON THE FAIRNESS FINANCIAL STATEMENTS PREPARATION

To the best knowledge of the Management Board of CCC S.A., the annual financial statements and comparable data were prepared in accordance with applicable accounting principles, they give a true and fair view of the financial position of the Company CCC S.A. and its financial result.

The Management Board's statements on the operations of the Company CCC S.A. includes true view of the development and achievements of the Company, including basic risks and threats.

9.2

STATEMENT AND INFORMATION ON THE ENTITY AUTHORIZED TO AUDIT FINANCIAL STATEMENTS

The Management Board of CCC S.A. declares that the entity authorized to audit financial statements, auditing the annual consolidated and financial statements, was chosen according to law. This body and the auditors conducting the audit complied with the conditions to issue an impartial and independent opinion on the audit, in accordance with applicable regulations and professional standards.

The Company CCC S.A. concluded on 21 July 2015 with PricewaterhouseCoopers Sp. z o.o. an agreement on auditing the financial statements and consolidated financial statements for the period from 1 January to 31 December 2015 and on the review of the financial statements and consolidated financial statements for the period from 1 January to 30 June 2015. The amount of net remuneration for those services amounts to 240.0 thousand PLN.

In addition, in 2015, PricewaterhouseCoopers Sp. o.o. provided advisory services to the parent company. The amount of net remuneration for the above services amounted to 136 thousand PLN. The Company CCC S.A. concluded on 3 July 2014 with PricewaterhouseCoopers Sp. z o.o. an annex to the agreement dated 1 July 2013 on performing an audit of financial statements and consolidated financial statements for the period from 1 January to 31 December 2014 and a review of the financial statements and consolidated financial statements for the period from 1 January to 30 June 2014. The amount of net remuneration for those services is 240.0 thousand PLN. In addition, in 2014, PricewaterhouseCoopers Sp. z o.o. provided advisory services to the parent company. The amount of net salary for the above services amounted to 82 thousand PLN.

Auditor's remuneration	2015	2014
Examination and reviews of financial statements	338 750	283 750
Other	136 000	82 000
Total	474 750	365 750

10. OTHER INFORMATION





CCC
SHOES & BAGS

OTHER INFORMATION

[in mln PLN unless otherwise stated]

10.1 INFORMATION ON BRANCHES (FACILITIES) OWNED BY THE UNIT

The parent company does not own any branches (facilities).

10.2 THE MOST IMPORTANT ACHIEVEMENTS IN THE FIELD OF RESEARCH AND DEVELOPMENT

Not applicable.

10.3 DESCRIPTION OF THE STRUCTURE OF MAIN CAPITAL DEPOSITS OR MAJOR CAPITAL INVESTMENTS MADE WITHIN THE ISSUER'S CAPITAL GROUP DURING THE FISCAL YEAR.

Subsidiaries did not make any significant deposits or capital investment during 12 months ended 31 December 2015.

10.4

BASIS OF THE PREPARATION OF THE STATEMENTS ON OPERATIONS OF THE GROUP CCC

This statements on the operations of the Company CCC S.A. covers the reporting period from 1 January to 31 December 2015 and the comparative period from 1 January to 31 December 2014. The statements on the operations was prepared in compliance with the financial statement and current and periodic reports. The content of the statement on the operations of the Company is in accordance with § 92 item 3 and 4 of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and the conditions for recognizing as equivalent information required by the law of non-member states and contains the required elements specified in § 91 paragraph 5-6 for issuers conducting manufacturing activities, construction, trade and services activities. The rules set out in the Act of 29 September 1994 on accounting referred to in article 55 item 2 point 5 in conjunction with art. 49 item 2 and 3, and art. 63 d are applicable. In case of Rules of the Stock Exchange in Warsaw S.A. the provisions of § 29 item 1, 2, 3 and 5 are applicable.

10.5

AGREEMENTS CONCLUDED BETWEEN THE ISSUER AND MANAGERIAL PERSONS

The above mentioned agreements were not concluded between the Issuer and managing persons.

OTHER INFORMATION

[in mln PLN unless otherwise stated]

10.6 PROCEEDINGS PENDING BEFORE COURT, BODY COMPETENT FOR ARBITRATION OR PUBLIC ADMINISTRATION BODY

The Company CCC S.A. is not a party to the court proceedings the value of the subject of dispute exceeds 10% of the equity of the Company.

10.6.1 ACQUISITION OF OWN SHARES

In the reporting period the Company did not make an acquisition of own shares.

10.6.2 INDICATION OF ALL RESTRICTIONS ON EXERCISING VOTING RIGHTS IN THE COMPANY OF THE ISSUER

In the reporting period, there were no restrictions on the exercising voting rights in the company of the Issuer.



SIGNATURES OF ALL MANAGEMENT BOARD MEMBERS

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

Polkowice, 28 April 2016 r.