

REPORT OF THE MANAGEMENT BOARD ON THE BUSINESS ACTIVITY OF THE COMPANY PROCHEM S.A. IN THE YEAR 2009

Warsaw, April 2010

1. Description of principles of drawing up the financial statement

The description of principles according to which the individual financial statement of the company for 2009 was drawn up was placed in the additional information to this report.

2. Review of economic-financial basic volumes revealed in the annual financial report and the show of prospects of the development of the Issuer in 2010

In 2009 Company achieved revenues of PLN 111. million. Revenues from basic activity i.e. sales of services constitute 94% of total revenue and are PLN 182 million lower than those achieved in 2008. Such significant decrease results from significant reduction of the income from contracts connected with realization. The net result of the company for 2009 ended up with a loss for the first time in history. It is a result of including in costs of 2009 effects of final settlement of accounts for contracts with the Hungarian customer, in the result of which because of the failure to adhere to the final completion dates and for failure to achieve of required technical parametres the company was forced to make correction of due remuneration and to bear high contractual penalties.

For the operations of PROCHEM S.A. in 2010 macroeconomic surrounding of the company will have the significant effect, particularly leaving by the Polish economy the financial crisis lasting in previous years. In relation to the slow return by banks for financing of investments, many prospective customers of PROCHEM S.A. (in particular industrial companies) are beginning work in this respect and are making decisions about taking new investment aims. A preparatory work being aimed at starting the accomplishment of large-scale investments in the energy, gas industry and the environmental protection is also being conducted. It will reflect on the number of orders won over by the company, and in the end on financial results achieved in 2010. The Management Board of PROCHEM S.A. with the particular attention is monitoring the current situation and if necessary is prepared for taking proper action being aimed at adapting its potential to new opportunities.

3. Description of essential risk factors and threats to activity of the Issuer

The company PROCHEM S.A. is exposed in its activity to the following kinds of risks and threats:

3.1. Economic fluctuations on the investment market

The company provides services on the investment market, being characterized by a large scale of hesitations of the demand strongly connected with the general macroeconomic situation of the country. Methods administered by the company of limiting the adverse impact of this factor on financial results (concentrating reserves, diversification of provided services), cannot fully neutralize this risk.

3.2. Dependence on the staff

The refinement of provided services, undertaking the completion of complicated technological projects, using modern computer systems and the work for highly-regarded customers requires the highest professional qualifications from employees. Recruiting this sort of persons, peculiarly in the situation of the liberalization of the European labour market can be difficult. The company is trying to minimize this threat by raising qualifications of the employed staff and applying incentive programs associating employees with the company.

3.3. Exchange rate risk

Part of contracts for sale of services is concluded with foreign companies in foreign currencies (EUR, USD). In case of considerable fluctuation of the rate of the domestic currency it can have influence on the performance of the company. Partly this risk is being eliminated in the natural way through the purchase of devices and the services necessary for the accomplishment of these contracts abroad, as well as through the purchase of relevant financial instruments.

3.4. Risk of dependence on important buyers of services

The accomplishment by the company of contracts connected with realization with the great value requires carrying the considerable expenses on the purchase of services and devices which next in the form of the ready building are being sold to the customer. The lack of appropriate correlation between incurred expenses, and income from the execution of the contract with customer can cause the need to use the external financing by the company, and in particular circumstances even temporary loss of the financial liquidity through by Issuer. Relevant stipulations of a contract protect to a large extent against such a risk, by virtue of which the customer is obliged to a successive refund of the incurred expenditure during the process of the fulfilment of an order.

3.5. Risk connected with the protraction the proceedings in the dispute with PERN SA

In the face of considerable extending of judicial proceedings in the dispute with PERN SA which was begun in 2006 and is conducted currently by the District Court in Warsaw concerning settlement of accounts for the contract given up on the day 10.11.2005 for construction management of an investment project under the name „Pipeline in a section from the ST- 1 Adamowo - to raw material base Plebanka", a risk exist of the necessity to fulfil obligations by PROCHEM S.A. in 2011 towards sub-suppliers concerning seized guarantee deposits before regaining them from PERN SA. Such a risk according to the opinion of the Company is minimal however the Management Board of PROCHEM S.A. is taking into account the need to accumulate adequate financial means for this purpose.

4. Declaration about applying corporate governance standards in the company PROCHEM S.A. in 2009

The Management Board of PROCHEM S.A. is declaring hereby that in the year 2009 the principles of corporate governance accepted in the company in the wording established according to the Attachment to the Resolution No 12/1170/2007 of July 4th 2007 of the Council of the Stock Exchange were fully obeyed. The full text of the set of principles of corporate governance to which the issuer is reporting is on the website of PROCHEM S.A. – www.prochem.com.pl.

Description of the internal control system of the Issuer.

The internal control is one of functions of current managing the company exercised directly by the company's Management Board, directors, proxy holders and other employees on managerial positions or which such a function was entrusted.

PROCHEM S.A. has the comprehensive internal control system that guarantees timely and accurate revealing facts concerning essential elements of company's activity.

It is contributing to getting the full knowledge about the financial standing, operating performances, the state of the company's assets as well as the effectiveness of the management.

Scope of supervision covers above all:

- basic and support business activity of the company,
- the financial reporting and accounting settlements,
- compliance of the company's activity with effective laws and regulations and internal regulations,
- the employment and remuneration.

The institutional internal control examines undertakings already carried out and relevant documentation. The main task of such control is to conduct periodic inspections in the most important issues for the company and the collecting and drawing up the information concerning activity of organizational units of the company, to study chosen problems of economic and other issues which in the given period were regarded most significant by the company's Management Board. Apart from the institutional internal control also a so-called functional control made by managers of different ranks exists in the company. These managers are in charge of employees reporting to them, consisting in checking the state of the accomplishment of established objectives.

The institutional internal control in PROCHEM S.A. is mainly conducted by financial and accounting services and employees of the legal and organizational department. The part of the tasks of the internal control is being led through appointed teams and committees.

Test action is being conducted in all phases of activity in the preliminary, current and next form of the control. Financial and accounting documents are being subjected to the technical, formal and accounting control. The information about the formal, technical and accounting correctness is provided with the signature drawn up in the identifiable way (full name) provided with the personal stamp of the authorized person and the date of approving the document.

The control system functioning in PROCHEM S.A. guarantees the completeness of the approach to business transactions, correct classification of source documents, as well as correct evaluation of stock in possession on individual stages of the registration, and hence ensures the correctness of drawing up a financial statement and he let the Management Board conduct company's activity based on the verified and complete information.

Description of the system of managing the risk in the enterprise of the Issuer.

The following risks are appearing in company's activity:

- risk of economic fluctuations on the investment market,
- risk of losing of crucial employees,
- foreign exchange risk,
- risk of making conditional on important buyers of services,
- risk of the payment unreliability,
- risk of disadvantageous settling the litigation with PERN S.A.

The risk management in individual areas consists on:

- monitoring of generating phenomena,
- taking action aiming at lowering the level of risk.

In the scope of individual risks the situation is as follows:

- risk of economic fluctuations on the investment market
 - monitoring of the macroeconomic situation and in chosen industries,
 - object diversification (development of the activities related to engineering services – maintenance and development),
 - field diversification (expanding of export)
 - collecting reserves.
- risk of losing of crucial employees,
 - monitoring of the level of employment, rewarding and fluctuation of the staff,
 - monitoring of the labour market and the level of the remuneration on the market,
 - holding the system of trainings and raising qualifications,
 - incentive programs for key employees,
 - active system of the recruitment - the environmental cooperation and maintaining relations with colleges.

- foreign exchange risk,
 - monitoring and forecasting the courses of exchange.
 - dealing in foreign exchange,
 - purchase of devices and services in currencies of contracts,
 - holding high-level domestic sales.

- risk of making conditional on important buyers of services,
 - monitoring of the performance of contracts with important buyers of services,
 - stipulations of a contract containing amortizing elements,
 - maintaining the partnership relations with regular customers.

- risk of the payment unreliability
 - monitoring of the financial standing of key contracting parties before and in the process of the execution of the contracts,
 - applying special debt collection procedures.

- risk of disadvantageous settlement of action against PERN S.A.
 - monitoring of the legal status by the Management Board and the team of lawyers.

Both the identification of risk factors and monitoring them as well as an applied system of actions reducing the risk are in PROCHEM S.A. on the good level and implemented strategy of development and diversification is supporting the reducing the part of risks and is leading to the professionalism in applied instruments.

Information about shareholders having considerable packages of the Issuer's share

Based on the information held by the Company as at the day of drawing up this report the shareholders with more than 5 % votes on the General Meeting of Shareholders are as follows:

Detailed list	Qty of shares (in pcs)	% of votes of total qty of votes	% of share capital
1.PROCHEM Holding Sp. z o.o.	962,341	24,65	24,68
2.Steve Tappan	382,751	9,80	9,81
3.ING Towarzystwo Funduszy Inwestycyjnych SA of which: ING Parasol Specjalistyczny Fundusz Inwestycyjny Otwarty	358,312	9,18	9,19
	228,950	5,86	5,87
4.Union Investment Towarzystwo			

Funduszy Inwestycyjnych S.A.	345,000	8,84	8,85
5.PTE PZU S.A.	325,521	8,34	8,35
6.Legg Mason Zarządzanie Aktywami S.A.	201,948	5,17	5,18

No securities which would give special prerogatives to control the Issuer exist.
No restrictions concerning transfer of ownership of securities of the Issuer and the exercising the right to vote exist.

Managing personnel of the Issuer are being appointed by the Supervisory Board. The term of office of the Management Board of the Issuer lasts three years. Rights of managing persons are determined by Statutes of the PROCHEM S.A. and they aren't going beyond the framework marked out by the Commercial Companies Code. In particular the right to make a decision about emission or the share redemption has only a General Meeting of Shareholders.

Principles of the amendment to the company's statute of the Issuer are pursuant to the provisions of the Commercial Companies Code.

The way of acting of the General Meeting of Shareholders of the PROCHEM S.A. and their fundamental entitlements and the description of rights of shareholders and the way of its exercising are entered into Statutes of PROCHEM S.A. as well as into Bylaw of the General Meeting of Shareholders of PROCHEM S.A. A/m documents are available on a website of the PROCHEM S.A.

On 6 June 2009 the Supervisory Board of the PROCHEM S.A. appointed the Management Board for the next term of office in unchanged composition.

As at the day of drawing this financial statement up the following persons are members of the PROCHEM S.A. Management Board:

Mr. Jarosław Stępniewski – Chairman of the Management Board
Mr. Marek Kiersznicki - Vice Chairman of the Management Board
Mr. Krzysztof Marczak - Member of the Management Board

As at the day of drawing this financial statement up the following persons are members of the PROCHEM S.A. Supervisory Board:

Mr. Andrzej Karczykowski – Chairman of the Supervisory Board
Mr. Marek Garliński - Vice Chairman of the Supervisory Board
Mr Dariusz Krajowski-Kukiel
Mr Krzysztof Obłój
Mr Steven G. Tappan.

5. Records of proceedings at law, competent authority for the arbitration or administrative body

PROCHEM S.A. is still a party in the lawsuit regarding settlement of accounts for the contract given up on the day 10.11.2005 for construction management of an investment project under the name "Pipeline in a section from the ST- 1 Adamowo - to raw material base Plebanka" concluded with PERN S.A. PROCHEM S.A. filed a suit demanding the payment of PLN 41,301 thousand as the final settlement of contract. PERN S.A. filed a counter-claim against

PROCHEM S.A. demanding the payment of PLN 129,444 thousand as the settlement of contract. On 18 January 2008 District Court in Warsaw delivered a judgment regarding this case by virtue of which rejected a claim filed by PROCHEM S.A. (Consortium GRI) and also refused a counter-claim filed by PERN "Przyjaźń" S.A. It results from grounds for a judgement delivered by Court that:

- The Court admitted a claim for payment of the amount of PLN 41,301 thousand by PERN "Przyjaźń" S.A. as being rightful as for the principle, at the same time the Court judged, that this liability wasn't still due
- The Court acknowledged that there is no ground for admission of a counter-claim filed by PERN "Przyjaźń" S.A.

After getting acquainted with the grounds for the judgment in writing PROCHEM S.A. lodged an appeal from this judgement in this part, in which the District Court declared claim for the payment of the amount of PLN 41,301 thousand by PERN "Przyjaźń" S.A. premature and still undue and in this part in which PROCHEM S.A. demanded taking over by PERN "Przyjaźń" S.A. obligation towards contractors/suppliers to return guarantee deposits.

PERN "Przyjaźń" S.A. lodged too an appeal from the judgement, in which District Court rejected their claim from filed counter-claim.

On 26 August 2008 Court of Appeal in Warsaw delivered a judgement regarding an appeal lodged by PROCHEM S.A. from the judgement of District Court of 18 January 2008 regarding case at law against PERN S.A. for payment of amount of PLN 41 301 495.22 as the final settlement of contract for construction management of an investment project under the name "Pipeline in a section from the ST- 1 Adamowo - to raw material base Plebanka".

Court of Appeal in mentioned above judgement decided to relegate the case to the District Court for decision by making settlement of accounts for the mentioned above contract. It results among others from the grounds delivered by Court of Appeal that claim filed by PROCHEM S.A. regarding settlement of accounts for contract is not premature as it was earlier recognised by the District Court. Apart from that the Court of Appeal stated that settlement of accounts for the contract should be made pursuant to the provisions of the contract. This establishment is in compliance with position in a case of PROCHEM S.A.

From the part of this sentence PERN S.A. lodged the petition for the cassation into the Supreme Court. On the meeting on 15 January 2010 the Supreme Court dismissed the petition for the cassation stating the lack of reasonable bases in it, requiring the evaluation with reference to the appealed part of the judgment. At present the dossier is in a District Court in Warsaw, and sides are waiting for setting the date of the trial.

The value of these proceedings exceeds the 10 % of equity of the Issuer.

Apart from that total value of other proceedings separately for the group of obligations as well as the group of the debts, doesn't exceed the 10 % of equity of the Issuer.

6.1. Information on basic products and services provided by the Issuer

PROCHEM S.A. is an engineering company dealing with engineering and design, general contracting, project management and with technical consulting. The Company specialised above all in services rendered to clients in following segments: industrial construction, environmental protection facilities and infrastructural projects. Revenues from sales of these services constituted 94%

of total revenue of the Company achieved in 2009, and their total value in 2009 is over 60% lower than those achieved in previous year.

The breakdown of revenues achieved on each type of activity and their structure is presented below:

(Revenues in PLN thousand)

Description	Revenues in PLN thousand		%	Structure of revenues	
	2009	2008		+	2009
1.Sales of services	103,980	285,814	-63,6%	93.7	97.5
2.Sales of goods and materials	1,728	3,943	-56.2%	1.6	1.3
3.Revenues from other operating activities	1,915	487	+293.2%	1.7	0.2
4.Revenues from financial transactions	3,395	2,899	+17.1%	3.0	1.0
Total	111.018	293,143	-62.1%	100,0	100.0

The below table shows that in 2009 revenues from design and engineering dropped PLN 5.6 million in comparison with the previous year and revenues from contracting dropped over PLN 171 million. In Item Other services mainly an income from the lease of cranes and shorings was included.

Description	Total revenue from sales of services		+increase -decrease
	2009	2008	
1.Design and engineering	32,367	38,003	-14.8%
2.Contracting	67,520	238,971	-71.7%
3.Other services	4,093	8,840	-53.7%
Total	103,980	285,814	-63.6%

6.2. The breakdown of markets of the sale of services in 2009 was as follows:

- domestic market 99.7%
- foreign market 0.3%

The only buyer of services of the Company which the participation in the income from sales in 2009 exceeded 10 % was company BIOAGRA S.A. – over 50% of participation in the income from sales.

Other formal connections with the mentioned above company apart from the trade agreement aren't appearing.

6.3. Information on concluded agreements important for Issuer's activity

As of today the main income of the Issuer expected in 2010 will be achieved in the consequence of the completion of a contract concluded with the subsidiary Elmont Inwestycje for designing and construction of the office and commercial building Astrum in Cracow.

Any agreements concluded between shareholders of PROCHEM S.A. which would be important for the company's business activity aren't known to the Company.

6.4. Information on organizational or capital connections of the Issuer and his main investments projects

The company PROCHEM S.A. is a dominant entity of the Capital Group composed of companies among other:

Subsidiaries

- Prochem Inwestycje Sp. z o.o. Warszawa – subsidiary directly (100%)
- Irydion Sp. z o.o. Warszawa - subsidiary directly (100%)
- Iryd Sp. z o.o. Warszawa - subsidiary indirectly (100%)
- PRO-INHUT Sp. z o.o. Dąbrowa Górnicza - subsidiary indirectly (98%)
- ATUTOR Integracja Cyfrowa Sp. z o.o. Warszawa - subsidiary indirectly (97.2%)
- Pro-Organika S.A. Warszawa - subsidiary directly (91.4%)
- Prochem Serwis Sp. z o.o. Warszawa - subsidiary indirectly (90%)
- ASI Polska Sp. z o.o. Gliwice - subsidiary indirectly (90%)
- PREDOM Sp. z o.o. Wrocław - subsidiary indirectly (81.1 % of capital and profit, 69.4% of votes)
- Prochem Zachód Sp. z o.o. Słubice - subsidiary directly (60%)
- Elektromontaż Kraków S.A. - subsidiary directly (54.5%)
- ELPRO Sp. z o.o. Kraków - subsidiary indirectly (77.3%, in it 54.5% of stocks, at 50% Elektromontaż Kraków)
- ELMONT Inwestycje Sp. z o.o. Kraków - subsidiary indirectly (77.3%, in it 54.5% of stocks, at 50% Elektromontaż Kraków)
- PROTRADE Sp. z o.o. Gdynia – subsidiary indirectly (72%) (ASI Polska Sp. z o.o. subsidiary in 90% having 80%)

Associated

- PRO PLM Sp. z o.o. Warszawa – 50% of shares
- PROMIS Sp. z o.o. Warszawa – 45% of votes, 97.6 of capital
- ITEL Sp. z o.o. Gdynia – 35.2% of shares,
- TEOMA S.A. Warszawa – 19.5% of shares.

6.5. Description of the transaction with affiliated entities

In 2008 significant transactions among companies from the capital group of the Issuer weren't concluded on other conditions than market conditions.

6.6. Information on contracted loans and credits

Name of the unit	Registered office	Amount of the credit according to the agreement (in PLN th.)	Amount of the credit for the repayment (in PLN th.)	Conditions of the interest	Term of a loan	Security
Fortis Bank Polska SA	Warsaw	3,000	0	WIBOR - of monthly deposits + profit margin	24 May 2010	obligation to process receipts
BRE Bank Polska SA	Warsaw	5,000	2,620	WIBOR for O/N deposits in the PLN +	30.06.2010	promissory note in blank

				profit margin		
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6.7. Information on given loans

In the period from 1 January to 31 December 2009 the Issuer granted the subsidiary Irydion Sp. z o.o. long-term loan in the total amount of PLN 3,100 thousand for the purpose of financing property investment in Cracow and Warsaw. The interest on a loan was established on the level of the six-month-old WIBOR rate being in effect at the end of every calendar year. The payment deadline is falling on 31.12.2012. Total value of loans given company Irydion Sp. z o.o. by the company PROCHEM S.A. including interest is amounting to PLN 17,715 thousand and exceeds 10 % values of equity of the issuer.

6.8. Information on granted and received warranties and guarantees

The value of given warranties and guarantees connected with the operational activity of the Issuer amounts to PLN 11,006 thousand, of which;

- a) own bank guarantees of the good performance of services – PLN 8,611 thousand,
- b) advance payment guarantee – PLN 1,753 thousand,
- c) b/e guarantee of the good performance of a contract PLN 197 thousand,
- d) warranty given for tenders – PLN 445 thousand.

The total sum of conditional amounts due by way of received guarantees of the good performance and the statutory warranty amounts to PLN 10,258 thousand as at 31 December 2009.

In 2009 the Issuer granted to affiliated entities guarantees of the credit repayment to the total amount of PLN 1,500 thousand.

6.9. Description of the use of takings from the issue

In 2009 the Company didn't issue any securities.

6.10. Explaining differences between achieved financial results and the forecast

In 2009 the Company didn't publish the forecast of financial results.

6.11. Evaluation of the management of financial means

During the year 2009 disturbances to financial liquidity in PROCHEM S.A. didn't appear.

The Company is keeping such a state of own financial means which enables timely acquittance of incurred liabilities. No circumstances exist which unables fulfilment of a contracted liability by the Company.

6.12 Appraisal of opportunity for realization of investment projects

In a Capital Group are included special purpose companies (Irydion, Elmont Inwestycje, Elpro, Iryd), formed for implementation of property projects, on which in the nearest period the investment activity of Capital Group of PROCHEM S.A. will focus. These companies at present are in possession of appropriate real estates and have or are conducting the intensive preparatory work being aimed at obtaining essential permits for the implementation of an investment project. These projects will be financed in a large measure based on the external financing (bank loans or the sale and lease back). At present advanced negotiations are being led about acquiring of financing of construction of the office and commercial building ASTRUM in Cracow by the company Elmont Inwestycje.

6.13. Evaluation of factors and untypical events affecting achieved financial results

In 2009 significant effect on financial results achieved by the Issuer, and in consequence for the creation of a loss from Issuer's activity have final settlement of accounts for contracts with Hungarian company, in the result of which because of the failure to adhere to the final completion dates and for failure to achieve of required technical parameters the company was forced to make correction of due remuneration for the over 800 thousand Euro and to bear high contractual penalties amounting to over 1,800 thousand Euro. In anticipation of effects of the above settlement the company created the reserve in 2008 for this purpose of the amount of PLN 5,909 thousand.

In assets of balance of PROCHEM S.A. an amount of PLN 17,363,930 is appearing in the item of the trade receivables on account of guarantee deposits seized by PERN S.A. as security for any claims towards the Consortium Prochem/Megagaz (GRI) on account of the statutory warranty and contractual guarantees resulting from Agreement no 20047 of 27 August 2002. The existence of this amount due and its sum in previous years were confirmed by PERN S.A.

Simultaneously because of the fact that the whole of work and supplies connected with the completion of a contract No 20047 was executed by the Consortium with the help of subcontractors and suppliers, as security for warranties given by these companies a part of their remuneration was seized by PROCHEM S.A. as the guarantee deposit in total amount similar to those seized by PERN S.A. Pursuant to agreements concluded with mentioned above companies return of guarantee deposits seized by GRI to subcontractors and suppliers will be after the expiry of statutory warranty and guarantee period, but not earlier than after the return of the guarantee deposit seized by PERN to PROCHEM S.A.

According to GRI the time of the statutory warranty and the guarantee expired on 13.02.2009. Therefore PROCHEM S.A. demanded return of the seized amount of the guarantee deposit from PERN S.A. Above request remained unanswered. Irrespective of it, from the trial carefulness, the amount of the seized guarantee deposit was filed for judicial proceedings being aimed at final settlement of accounts for the contract No. 20047 of 27 August 2002 which at present is being led again before the District Court in Warsaw.

Creating the revaluating write-off to the amount of the amount due on account of seized guarantee deposits in an opinion of the Management Board is unjustified, since the above amount is in the indissoluble way connected and protected (both expressed in an amount and on time) with guarantee deposits given by subcontractors and suppliers and seized by GRI.

According to the evaluation of the Management Board of PROCHEM SA even if PERN doesn't return the seized guarantee deposits, there is a great probability of regaining these amounts due yet this year within the framework of final settlement of accounts for the contract which is an object of judicial proceedings being in progress.

6.14. Characteristics of outside and internal factors essential for the development of the enterprise of the Issuer in 2010

For the operations of PROCHEM S.A. in 2010 macroeconomic surrounding of the company will have the significant effect, particularly leaving by the Polish economy the financial crisis lasting in previous years. In relation to the slow return by banks for financing of investments, many prospective customers of PROCHEM S.A. (in particular industrial companies) are beginning work in this respect and are making decisions about taking new investment aims.

A preparatory work being aimed at starting the accomplishment of large-scale investments in the energy, gas industry and the environmental protection is also being conducted. It will reflect on the number of orders won over by the company, and in the end on financial results achieved in 2010. The Management Board of PROCHEM S.A. with the particular attention is monitoring the current situation and if necessary is prepared for taking proper action being aimed at adapting its potential to new opportunities.

6.15. Changes in basic principles of management of the Issuer and Capital Group

In 2009 substantial changes affecting principles of management of the Issuer and Capital Group didn't take place.

6.16. Description of the agreements concluded between the Issuer and managing persons providing compensation

Contract of employment concluded by the Issuer with managing persons provide for the compensation in the amount of remuneration in the period of six months in case of dismissing the member of the Management Board from office.

6.17. Value of the remuneration of persons managing and supervising the Issuer

Remuneration paid in 2009 in the enterprise of the Issuer:

Members of the Management Board:

1. Jarosław Stępniewski - PLN 413 thousand, including the remuneration set from the profit for 2008 – PLN 20 thousand,
2. Marek Kiersznicki – PLN 364 thousand, including the remuneration set from the profit for 2008 – PLN 18 thousand,
3. Krzysztof Marczak – PLN 363 thousand, including the remuneration set from the profit for 2008 – PLN 18 thousand.

Members of the Supervisory Board:

1. Andrzej Karczykowski - PLN 46 thousand, including the remuneration set from the profit for 2008 – PLN 16 thousand,
2. Krzysztof Obłój - PLN 46 thousand, including the remuneration set from the profit for 2008 – PLN 16 thousand,
3. Marek Garliński - PLN 38 thousand, including the remuneration set from the profit for 2008 – PLN 8 thousand,
4. Dariusz Krajowski-Kukiel - PLN 38 thousand, including the remuneration set from the profit for 2008 – PLN 8 thousand,
5. Steven Tappan - PLN 38 thousand, including the remuneration set from the profit for 2008 – PLN 8 thousand.

Remuneration paid in 2009 on account of serving in the Management Boards and Supervisory Boards of companies being included in a Capital Group received:

1. Jarosław Stępniewski – PLN 52 thousand,
2. Krzysztof Marczak – PLN 44 thousand.

6.18. Determining the total amount of the shares of the Issuer and affiliated entities in the possession of persons managing and supervising the Issuer

As at the day of drawing the financial statement up the following members of the Management Board and Supervisory Board of the company are in the possession of shares of PROCHEM S.A.:

- Jarosław Stepniewski – 37,787 shares,
- Marek Kiersznicki – 17,500 shares,
- Krzysztof Marczak – 9,030 shares,
- Andrzej Karczykowski – 20,000 shares,
- Marek Garliński – 35,548 shares,
- Steven G. Tappan – 382,751 shares.

Nominal value of 1 share is PLN 1.

Persons managing and supervising don't possess shares of affiliated entities.

6.19. Information on agreements as a result of which changes can take place in proportion of shares possessed by previous shareholders

Any agreements, as a result of which changes can in the future take place in proportion of shares possessed by previous shareholders aren't known to the Company.

6.20. Information on the system of the control of the programmes of workers' shares

In the company no program of workers' shares is functioning.

6.21. Information on the agreement with the entity authorized to audit financial statements of the Issuer

Agreement with the entity authorized to audit financial statements with company Misters Audytor Sp. z o.o. for the auditing and reviewing of individual and consolidated reports of PROCHEM S.A. for 2009 was concluded on 26 June 2009. The agreement was concluded only for examining statements for 2009. The total contractual amount of remuneration of the Misters Audytor amounts to PLN 76,000 net from what PLN 44,500 for auditing annual financial reports and PLN 31,500 for the review of semi-annual financial reports. Company Misters Auditor wasn't paid, neither is due remuneration from other titles. The above agreement is a fifth, successive agreement concluded by the Issuer with this auditor. On account of the examination and the review of financial statements for 2008 company Misters Auditor received the remuneration in the amount of PLN 84,400 net, from what PLN 50,200 for auditing annual financial statements and PLN 34,200 for the review of semi-annual financial reports. In the year 2008 Company Misters Auditor wasn't paid, neither is due remuneration from other titles.

Management Board Member
Krzysztof Marczak

Vice Chairman of the Board
Marek Kiersznicki

Chairman of the Board
Jarosław Stepniewski