

The President of the Board of Management of
The Industrial Development Agency S.A.

Warsaw, 28th May 2010

Wojciech Dąbrowski

ARP/KR-ILZ/4243/2010/PKG

A Decision

On the approval of the amended sales plan of the groups of assets of Stocznia Gdynia S.A. – May 2010

Based on article 80 and article 79, clauses 1-3, and article 82, clause 1, item 1, and in connection with articles 6, 7, and 9, clause 1, of the act of 19th December 2008 "On the Compensation Proceedings in the Entities of the Particular Importance for the Polish Shipbuilding Industry" (Legal Gazette 233, item 1569); as well as article 123, clauses 1 and 2, and article 124, clause 1, of the Administration Proceedings Code of 14th June 1960 (Legal Gazette 2000, number 98, item 1071 with subsequent changes), after consideration of the amended sales plan of the groups of assets of Stocznia Gdynia S.A. – May 2010, as submitted by the Compensation Administrator of Stocznia Gdynia S.A with his letter L.dz 461/S/2010, dated 21 May 2010., that is, Bud Bank Leasing Sp. z o. o, and as approved by the Board of Creditors of Stocznia Gdynia S.A. in their resolution no. 3/2010 of 25th May 2010, I decided to:

- 1) Approve the amended sales plan of the groups of assets of Stocznia Gdynia S.A. under the name: "The Amended Sales Plan of Groups of Assets of Stocznia Gdynia S.A. – May 2010", which is the attachment number 1 hereto,
- 2) Define the methods and designate deadlines for the sale of particular groups of assets of Stocznia Gdynia S.A. as in the amended sales plan mentioned in item 1,
- 3) Approve the tender by-law under the name of The by-law of unlimited tender and auction, which is a detailed tender procedure constituting attachment number 2 hereto,
- 4) Define the amount of security deposit for each tender as 10% of the estimated value of the assets being part of a particular group of assets.

JUSTIFICATION

On 21st May 2010, acting upon the provisions of articles 80 and 79 of the act “On the Compensation Proceedings in the Entities of the Particular Importance for the Polish Shipbuilding Industry” hereinafter referred to as “The Compensation Act”, the compensation administrator in the compensation proceedings regarding Stocznia Gdynia S.A., that is, Bud Bank Leasing Sp. z o. o., handed over to the president of the board of the Industrial Development Agency S.A. a sales plan of the groups of assets of the shipyard, entitled, “*The Amended Sales Plan of Groups of Assets of Stocznia Gdynia S.A. – May 2010*”, hereinafter referred to as “The Amended Sales Plan”, and asked for its approval.

According to the provision of article 79, clause 1, of the Compensation Act, the President of the Board of the Industrial Development Agency S.A., in his letter of 21st May 2010, asked the Board of Creditors for their opinion on the amended Sales Plan as received by them. On 25th May 2010, the Board of Creditors took the decision numbered 3/2010, in which they expressed their positive opinion of *the Amended Sales Plan of Groups of Assets of Stocznia Gdynia S.A. – May 2010*.

The Amended Sales Plan was not subjected to the opinion of the employees' representative, as such a representative has not been selected by the trade unions of the shipyard.

Considering the Amended Sales Plan, the president of the Board of the Industrial Development Agency S.A. noticed as follows:

In his decision of 12th March 2009 on the approval of the sales plan of groups of assets of Stocznia Gdynia S.A., the president of the Board of the Industrial Development Agency S.A. approved the sales plan with the methods and deadlines for the sale of particular groups of assets of Stocznia Gdynia S.A., as included

therein. In the very same decision, he also approved the tenders' by-law and defined the amount of the security deposits.

As a result of the tenders and the auctions, buyers were found for thirty out of the thirty-seven groups of assets. Despite entering into conditional contracts and the buyers declaring their readiness to enter into final agreements, the winner of tenders numbered 1-3, 5-8, and auctions 20,21,24, and 27, which comprised the great majority of the assets of Stocznia Gdynia S.A., the buyer, despite being called upon to act by the Compensation Administrator, did not pay the price. Therefore, the final agreements have not been entered into.

In her letter of 8th September 2009, the EU Commissioner for Competition, Neelie Kroes, as asked by the Minister of the Treasury, agreed to extend to 31st December 2010, the deadline for the sale of the assets of Stocznia Gdynia S.A. in an open, transparent, non-discriminatory, and unconditional sales process. Having obtained the consent of the European Commission for the extension of the deadline for the sale process, the Compensation Administrator, by virtue of article 80 of the Compensation Act, reappraised the value of the shipyard's assets and prepared the amended sales plan, which took into account the successfully-completed sales. The plan included 18 groups of assets which had not been sold to date. In his decision of 28th September 2009, the president of the Board of the Industrial Development Agency S.A. approved the amended plan. As a result of the tenders and auctions, buyers were found for six out of the eighteen groups. The remaining groups have not been sold.

In his letter numbered D(10)172 of 28th April 2010, the EU Commissioner for Competition, Joaquin Almunia, agreed to extend to 31st March 2011, the deadline for the implementation of obligations (performance of the implementation process) as included in the European Commission's decision as of 6th November 2008, sales process included.

The Compensation Administrator for Stocznia Gdynia S.A., having in mind the provisions of article 80 of the Compensation Act and taking into consideration the necessity of protecting the value of the groups of assets subject to sale as well as the protection of the Shipyard's creditors' interests, reanalyzed the method of the division of the Shipyard's assets so as to contribute to the effective performance of the sales plan, and forwarded for approval *the Amended Sales Plan of Groups of Assets of Stocznia Gdynia S.A. – May 2010*.

According to article 80 *in fine* of the Compensation Act, the sales plan as changed due to another analysis of the method of the division of the assets of the Shipyard, is subject to approval according to the provisions of article 79 of the Compensation Act.

According to article 79, clause 1, of the Compensation Act, the sales plan of groups of assets of the shipyard as prepared by the Compensation Administrator, is subject to the approval of the president of the Board of the Industrial Development Agency S.A., who is the first instance of authority in the Compensation Proceedings.

In the opinion of the President of the Industrial Development Agency S.A., the amended sales plan comprises all items defined in article 78 of the Compensation Act, that is:

- 1) The groups of assets of the shipyard subject to sale (article 78, clause 1),
- 2) The methods and deadlines for the sale of the particular groups of assets of the shipyard (article 78, clause 2),
- 3) The preliminary cost and expenses estimate relating to the performance of the sales plan (article 78, clause 3).

The amended sales plan provides for the sale of the groups of assets of the shipyard divided into four categories and twenty groups, that is:

Category A, which comprises the financial assets subject to sale, being located in Gdynia at 3, Czechosłowacka Street, consisting of five groups of the assets (numbers 2,9,17,21,5A) as shown on the map which is an attachment to the amended sales plan. A detailed list of the financial assets being part of each group, is included in attachments 1-5 to the amended sales plan.

Category B, which comprises the financial assets consisting of group 23, which includes real estate owned by the Treasury and held in perpetual usufruct by the shipyard, situated in Szymbark, Gmina Stężyca, for which the District Court in Kartuzy, V Mortgage and Land Registry, holds the mortgage and land registers numbered KW32495 and KW16399, of a total area of 81,471 m² and 48 buildings of 4,474 m² and 17 constructions and movables situated therein, which are owned by Stocznia Gdynia S.A. and organized in a holiday centre. A detailed list of the assets being part of the group, is included in attachment number 6 to the amended sales plan.

Category C, which comprises authors' economic rights to ship designs grouped in four groups, 33-36, which are subject to sale.

Category D, which comprises the remaining assets subject to sale, that is, current assets – materials localized in Gdynia, described in detail in attachment number 7 to the amended sales plan. These are newly-created, one-off groups of assets, which comprise a certain assortment of materials as stored in the shipyard warehouses (held by the shipyard). The creation of these small groups is a purposeful action which aims to improve the likelihood of finding buyers for them.

The amended sales plan does not include those assets to which third parties claim their rights, and which were included in the previous sales plan. The exclusions pertain to the assets from groups 24 (15,135 shares in the "EUROMOS Sp. z o.o." company, which represents a 100% share in the company's start-up capital), and 32 (author's economic rights to ship design (vessel) type 8168/27 – car carrier), and two level luffing gate cranes Q150T with the inventory numbers 64200005900 and 64200006000, which were previously part of group number 2.

In the amended sales plan, group number 34, the exclusion of author's economic rights to the design of ship, type 8148/01, was remained.

In the opinion of the President of the Industrial Development Agency S.A., the concept of the division of the shipyard's assets takes into account the necessity of dividing the assets in such a way that they can be used both technically and technologically, as required by article 76, clause 1, item 2, of the Compensation Act. In particular, this method of dividing the assets into group was carried out in such a way as to improve their attractiveness to buyers, and potentially to increase their profitability of sale. The amended sales plan provides rational chances for the successful performance of the sale of the shipyard's assets. This is also confirmed by the positive opinion of the Board of Creditors, expressed in their resolution of 25th May 2010. The amended sales plan as presented by the Compensation Administrator, allows the maximization of the profit of the sale of the shipyard's assets, to protect the interests of the creditors.

According to article 79, item 1, of the Compensation Act, the hereto decision defines the methods and deadlines for the sale of the particular groups of assets of the shipyard as of the amended sales plan. They constitute a part of the amended sales plan (part III). The method of sale, by virtue of article 82, clause 1, of the Compensation Act, was defined as an unlimited tender. The deadlines for the sale were defined with respect to legal imitations regarding the deadlines for placing announcements on tenders in the press (article 82, clause 1, item 2, of the Compensation Act).

According to article 79, clause 4, of the Compensation Act, the sale by the Compensation Administrator of the particular groups of assets of the shipyard, should be performed within the deadlines as defined in the amended sales plan approved by the hereto decision.

Defining the amount of the security deposit, the President of the Board of the Industrial Development Agency S.A., adhering to common market practice, defined the deposit as 10% of the value of all assets being part of particular groups.

A detailed procedure of the tender has been defined in "The By-Law of the Unlimited Tender and Auction". The tender conducted by the Compensation Administrator, is open, transparent, unconditional, non-discriminatory, and performed in adherence to the rules of fair competition. The Compensation Administrator announces in local and country-wide press, the sale of a particular asset in a tender or an auction at least two weeks in advance of the tender, or at least eight weeks in advance of the tender if the asset comprises real estate. The participant enters into the tender through filing a registration bid with the Compensation Administrator and through payment of the security deposit. The registration bid can be handed over to the Compensation Administrator personally at the shipyard's registered office, or through post, to the address of the shipyard. The binding date shall be the date of receipt of the registration bid. The tender is conducted via internet through a website especially created by the Compensation Administrator for this purpose. The security deposit should be paid into the bank account of Stocznia Gdynia S.A. by the participant before the deadline specified in the announcement for the tender. In the case of there being no valid bid submitted, the purchaser not being selected in the tender due to other reasons; in particular, if the bidders who submitted their valid offer do not want to enter into valid sales agreements, or in the case of the tender being nullified by the Compensation Administrator, the Compensation Administrator shall sell the asset in an auction with the starting price determined according to article 82, clause 1, of the Compensation Act.

Together with the amended sales plan, a preliminary cost and expenses estimate as presented as part of the plan related to the performance of the amended sales plan

(part IV of the plan), the Compensation Administrator provided a detailed list of the costs which are necessary to incur in the performance of the amended sales plan. The board of creditors did not have any remarks to this. Having this in mind, in the opinion of the President of the Board of the Industrial Development Agency S.A., the costs as provided in detail seemed justified for the proper performance of the sales process in the scope provided for in the amended sales plan.

The herewith decision realizes the method of the implementation of this decision as defined in item 402/411 of the European Commission's decision dated 6th November 2008 on the State Aid numbered C 117/2005 (ex N 194/05 and PL34/2004) as granted by Poland to Stocznia Gdynia S.A. In Particular:

- The assets are being sold in an open, transparent, non-discriminatory and unconditional tender,
- The assets of the shipyard shall be sold at market price to the bidder who offers the highest price with no conditions attached,
- For the purpose of sale, the assets were divided into groups and their size and make-up were made only dependent on the maximization of profit of their sale, to protect the interests of the shipyard's creditors.
- The sale will be performed by an independent administrator, whose authority and obligations will be analogous to those of a receiver in liquidation. In particular, only the administrator orders evaluation of the assets subject to sale, conducts the tender, and chooses the winning bid.

The herewith decision cannot be subject to appeal to an administration court.

The decision is enforceable immediately by virtue of article 6, clause 2, of the Act on Compensation Proceedings in the Entities of the Particular Importance to the Polish Shipbuilding Industry.

Attachments:

- Number 1. "The amended sales plan of the groups of assets of Stocznia Gdynia S.A. – May 2010."
- Number 2. "The by-law of the unlimited tender and auction".

The President of the Board
of the Industrial Development Agency S.A.
Wojciech Dąbrowski

Recipients:

- 1) The Compensation Administrator
of Stocznia Gdynia S.A.
- 2) The President
of the Board of Stocznia Gdynia S.A.
- 3) The Observer of Stocznia Gdynia S.A.
- 4) The Representative of the Employees
of Stocznia Gdynia S.A.