

REPORT
on the activity of the Supervisory Board of Telekomunikacja Polska S.A.
and its committees in 2008

I. TP S.A. SUPERVISORY BOARD COMPOSITION:

Supervisory Board composition as on January 1, 2008:

1. Prof. Andrzej K. Koźmiński - Chairman
2. Olivier Barberot - Deputy Chairman and Chairman of the Strategy Committee
3. Michel Monzani - Secretary
4. Antonio Anguita - Board Member
5. Vivek Badrinath - Board Member
6. Timothy Boatman - Board Member and Chairman of the Audit Committee
7. Jacques Champeaux - Board Member
8. Ronald Freeman - Board Member and Chairman of the Remuneration Committee
9. Dr. Mirosław Gronicki - Board Member
10. Stéphane Pallez - Board Member
11. Georges Penalver - Board Member
12. Prof. Jerzy Rajski - Board Member
13. Dr. Wiesław Rozłucki - Board Member

In 2008, composition of the Supervisory Board changed as follows:

- on 24 April 2008, the mandate of Mr. Timothy Boatman expired. On the same day, Mr. Timothy Boatman was appointed by the Annual General Meeting for another term.
- on 25 September 2008, Mr. Michel Monzani resigned from his position on the Supervisory Board. On the same day, Mr. Olivier Faure was appointed by the Supervisory Board as a Member and secretary of the Supervisory Board and member of the Audit Committee.

Supervisory Board composition as on 31 December 2008:

1. Prof. Andrzej K. Koźmiński - Chairman
2. Olivier Barberot - Deputy Chairman and Chairman of the Strategy Committee
3. Olivier Faure - Secretary
4. Antonio Anguita - Board Member
5. Vivek Badrinath - Board Member
6. Timothy Boatman - Board Member and Chairman of the Audit Committee
7. Jacques Champeaux - Board Member
8. Ronald Freeman - Board Member and Chairman of the Remuneration Committee
9. Dr. Mirosław Gronicki - Board Member
10. Stéphane Pallez - Board Member
11. Georges Penalver - Board Member
12. Prof. Jerzy Rajski - Board Member
13. Dr. Wiesław Rozłucki - Board Member

On January 16, 2009, the mandate of Mr. Olivier Faure expired. On the same day, Mr. Olivier Faure was appointed by the Extraordinary General Meeting as Member of the Supervisory Board.

At present, TP has six independent members in the Supervisory Board, namely Messrs. Prof. Andrzej K. Koźmiński, Timothy Boatman, Ronald Freeman, Dr. Mirosław Gronicki, Prof. Jerzy Rajski, and Dr. Wiesław Rozłucki.

Three permanent committees operate within the Supervisory Board composed, as at 31 December 2008, of:

- **Audit Committee:** Timothy Boatman – Chairman, Ronald Freeman, Olivier Faure and Stéphane Pallez - members;
- **Remuneration Committee:** Ronald Freeman - Chairman, Olivier Barberot, Jacques Champeaux and Wiesław Rozłucki - members;
- **Strategy Committee** – Olivier Barberot - Chairman, Jacques Champeaux, Olivier Faure, Mirosław Gronicki and Jerzy Rajski - members.

II. OPERATION

The Supervisory Board, acting according to the provisions of the Commercial Companies Code and the Company's Articles of Association, exercised permanent supervision over the Company's operations in all fields of its activities.

The Supervisory Board fulfilled in 2008 duties resulting from the provisions of the Commercial Companies Code:

1. Evaluated the Management Board's report on TP SA operations and the financial statements for the financial year 2007 and the Management Board's recommendation for distribution of the Company's profit,
2. Evaluated the Management Board's report on TP SA Capital Group's operations and the consolidated financial statements for the financial year 2007,
3. Filed with the General Shareholders' Meeting reports presenting results of the above-mentioned evaluation.

The Supervisory Board took due care in order to assure that the Management Board's reports and the financial statements were in compliance with the law.

The Supervisory Board also executed its rights and obligations arising from the Company's Articles of Association and Best Practices, of which the following should be mentioned:

- 1) Appointments of members of the Management Board,
- 2) Recommendations of motions addressed to the General Meeting,
- 3) Selection of an independent auditor to audit the Company's financial statements,
- 4) Preparing an opinion on TP SA and TP Group budget,
- 5) Supervision of the realisation of TP Group's operating and financial objectives,
- 6) Expressing an opinion on financial commitments exceeding the amount of 100 M €,
- 7) Concise assessment of TP Group situation,
- 8) Appointment of member of the Supervisory Board.

Throughout 2008 the Supervisory Board and its permanent committees focused on the following issues:

- a) Group's financial results and performance compared to the budget;
- b) Group's strategy in an increasingly competitive market;
- c) Group's M&A projects;
- d) Group's position vis a vis the regulatory environment in Poland;
- e) Changes in the Management Board of the Company;
- f) Company's shareholders' remuneration;
- g) Share Buyback Program;
- h) Group's approach to internal control, including risk management;
- i) Customer satisfaction;
- j) BLA agreement with Orange Brand Services Limited;
- k) Group's Real Estate optimization program.

The Supervisory Board met 7 times in 2008. The Board adopted 42 resolutions, of which 3 in writing (by correspondence).

The Supervisory Board used in its operations the opinions of the Audit Committee, the Remuneration Committee and the Strategy Committee.

Reports of the Audit, Remuneration and Strategy committees on their activities in 2008 are attached as Attachments 1, 2 and 3 respectively.

The Supervisory Board formulated a number of recommendations, remarks and motions for the Management Board, referring to different aspects of the company's operations.

The Supervisory Board was abreast with examination of the execution of resolutions and recommendations, analysing information of the Management Board presented on subsequent meetings.

III. EVALUATION OF THE WORK OF THE SUPERVISORY BOARD

Having in mind the above operations, the Supervisory Board is of the position that in 2008, showing due diligence, it exercised the supervision over all areas of the activities of Telekomunikacja Polska. Involvement of each Supervisory Board's member in supervision over a number of significant projects carried out by the Company enabled early consideration of risk and recommendations being made to the Management Board.