

**Report on Compliance of Asseco South Eastern Europe S.A.  
with the Corporate Governance Standards for 2012**

**Declaration of Asseco South Eastern Europe S.A. on compliance with the Corporate Governance Standards, prepared pursuant to § 91 sect. 5 item 4 of the Regulation of the Minister of Finance of 19 February 2009 regarding current and periodic information to be submitted by issuers of securities and conditions for recognizing as equivalent information required by laws of a non-member state (Journal of Laws 2009 No. 33, item 259).**

**1. The set of corporate governance standards applicable to the Issuer and the place where it is publicly available.**

Asseco South Eastern Europe S.A. ("Company") is bound by the Code of Best Practice for WSE Listed Companies adopted by a resolution of the Board of the Warsaw Stock Exchange on 19 October 2011.

The report on corporate governance standards applied by the Company was included in the current report No. 6/2009 of 28 October 2009 as well as in the form of the "Declarations of compliance with the corporate governance standards" prepared in 2009, 2010 and 2011 pursuant to §91 sect. 5 item 4 of the Regulation of the Minister of Finance of 19 February 2009 regarding current and periodic information to be submitted by issuers of securities, which constituted a separate parts of the 2009 annual report published on 16 March 2010, 2010 annual report published on 16 March 2011 and 2011 annual report published on 23 February 2012.

The set of corporate governance standards is available from the Warsaw Stock Exchange website at the address:

[http://www.corp-gov.gpw.pl/assets/library/english/regulacje/bestpractices%2019\\_10\\_2011\\_en.pdf](http://www.corp-gov.gpw.pl/assets/library/english/regulacje/bestpractices%2019_10_2011_en.pdf)

**2. Corporate governance standards which have been partially or entirely waived by the Issuer and the rationale for doing so.**

The Management Board of the Company indicated the Company's withdrawal from application of the following corporate governance rules:

**Recommendation I.1**

*A company should pursue a transparent and effective information policy using both traditional methods and modern technologies and latest communication tools ensuring fast, secure and effective access to information. Using such methods to the broadest extent possible, a company should in particular:*

*(...)*

*enable on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on the company website.*

This recommendation was not followed by the Company in scope of broadcasting and publishing the recordings of general meetings on the Company's website. In the Company's opinion the current manner of documenting the course of general meetings provides the transparency of the Company's operations and protects the rights of its shareholders. In particular, the Company discloses the content of resolutions as well as detailed information on the voting results and any objections to the adopted resolutions on its website. Thus, investors have the opportunity to become familiar with the essential elements of the sessions and the issues raised at the general meeting.

## **Recommendation I.5**

*A company should have a remuneration policy and rules of defining the policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company.*

Determination of the remuneration payable to members of the Company's Supervisory Board falls within the authority of the General Meeting of Shareholders; whereas, the remuneration of members of the Management Board is determined by the Supervisory Board.

The amount of remuneration payable to individual members of the Management Board depends upon the obligations, competence and responsibility involved in their positions as well as upon their economic performance. Furthermore, in every annual report the Company provides information on the remuneration payable to its management and supervisory personnel, in accordance with §91 sect. 6 item 17 of the Regulation of the Minister of Finance regarding current and periodic information to be submitted by issuers of securities.

## **Recommendation I.9**

*The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' business operations.*

Members of the Company's Management Board and Supervisory Board are elected by an independent decision of the Supervisory Board and the General Meeting of Shareholders, respectively. Nonetheless, the main criteria for the election of persons to perform management and supervisory functions in the Company include the candidate's competence, professionalism and skills, while other factors, such as gender, are not taken into account in this respect.

## **Rule II.1.11**

*II. Best Practice for Management Boards of Listed Companies*

*1. A company should operate a corporate website and publish:*

*11) information known to its Management Board based on a statement of a member of the Supervisory Board concerning any relationship of such member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting;*

The Company applies the above-mentioned rule to a limited scope, this is only when a member of its Supervisory Board files an appropriate statement on his/her relationship with a shareholder who holds shares representing not less than 5% of all votes at the Company's General Meeting of Shareholders.

## **Rule II.3**

*II. Best Practice for Management Boards of Listed Companies*

*3. Before a company executes a significant agreement with a related entity, its Management Board shall request the approval of the transaction/agreement by the Supervisory Board. This condition does not apply to typical transactions made on market terms within the operating business by the company with a subsidiary where the company holds a majority stake. For the purpose of this document, related entity shall be understood within the meaning of the Regulation of the Minister of Finance issued pursuant to Article 60.2 of the Act on Public Offering, Conditions Governing the*

*Introduction of Financial Instruments to Organised Trading, and Public Companies (Dz.U. No. 184, item 1539, as amended).*

The Company applies the above-mentioned rule in the scope described in § 13 sect. 12 item 24 of its Articles of Association.

### **Rule III.2**

*III. Best Practice for Supervisory Board Members*

*2. A member of the Supervisory Board should submit to the company's Management Board information on any relationship with a shareholder who holds shares representing not less than 5% of all votes at the General Meeting. This obligation concerns financial or other relationships which may affect the position of the member of the Supervisory Board on issues decided by the Supervisory Board.*

The Company applies the above-mentioned rule to a limited scope, this is only when a member of its Supervisory Board files an appropriate statement on his/her relationship with a shareholder who holds shares representing not less than 5% of all votes at the Company's General Meeting of Shareholders.

### **Rule III.6**

*III. Best Practice for Supervisory Board Members*

*6. At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the European Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board. Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.*

In the Company's opinion it is difficult to accept this provision because it would prejudice the exercise of ownership rights by shareholders. The shareholders' ability to make independent decisions as to the election of the Company's authorities, including the Supervisory Board which in turn appoints the Management Board, is a fundamental ownership right resulting from holding a stake of shares. Furthermore, the independence criteria for members of the Supervisory Board are still quite imprecise. It turned out very difficult to define such independence criteria that would guarantee the impartiality of decisions taken by independent members of the Supervisory Board and that, at the same time, could be reliably and authoritatively verified to be satisfied by candidate members of the Supervisory Board. The Company would neither have the ability or adequate tools to maintain ongoing control whether such independence criteria are actually met by independent members of the Supervisory Board in performing their supervisory functions, and therefore the Company would be largely forced to rely on the declarations made by candidates themselves or by shareholders proposing their candidacy. In effect, this rule would not be implemented or applied in practice in conformity with the regulator's intent.

### **Rule III.8**

*III. Best Practice for Supervisory Board Members*

*8. Annex I to the European Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors (...) should apply to the tasks and operation of any committees of the Supervisory Board.*

On 17 May 2010, the Supervisory Board of Asseco South Eastern Europe SA, in order to fulfil the obligation under art. 86 sect. 3 and 7 of the Law of 7 May 2009 on certified auditors, their self-government, entities authorized to audit financial statements and on public supervision established an Audit Committee from among its members.

Andrzej Mauberg – Chairman of the Audit Committee  
Przemysław Sęczkowski – Member of the Audit Committee  
Gabriela Żukowicz – Member of the Audit Committee.

On 8 August 2012, the Supervisory Board of the Company of the new term of office established an Audit Committee from among its members: Andrzej Mauberg, Jacek Duch and Gabriela Żukowicz.

### **Rule III.9**

*III. Best Practice for Supervisory Board Members*

*9. Execution by the company of an agreement/transaction with a related entity which meets the conditions of rule II.3 requires approval of the Supervisory Board.*

The Company applies the above-mentioned rule in the scope described in § 13 sect. 12 item 24 of its Articles of Association.

### **3. Main features of the internal audit and risk management systems applied by the Issuer in the process of preparing its separate and consolidated financial statements.**

The Company's separate and consolidated financial statements are prepared in compliance with the International Accounting Standards ("IAS") as well as the International Financial Reporting Standards ("IFRS"). Both IAS and IFRS include interpretations approved by the International Financial Reporting Interpretations Committee ("IFRIC").

One of the key mechanisms of control in the process of preparing the Company's financial statements involves periodical verification of such financial statements by independent certified auditors, and in particular the review of semi-annual financial statements as well as the audit of annual financial statements.

Certified auditors are selected by the Company in such a way as to ensure that their entrusted tasks are performed impartially. For the sake of such impartiality, the Company changes the entity authorized to audit its financial statements at least once every five years. The change of certified auditors should be also understood as changing the chief auditor carrying out an audit. Certified auditors are each year selected by the Supervisory Board from among reputable auditing firms, which can guarantee high standards of service and independence. Auditing agreements are concluded for one-year periods.

In order to ensure accuracy of the Company's accounting books as well as generation of highly reliable financial data, the Management Board adopted the following documents:

- 1) Accounting Policy and Chart of Accounts, both consistent with the International Financial Reporting Standards,
- 2) Numerous internal procedures regulating the Company's operations with significant exposure to risk.

Quality of the accounting data, which provide basis for the preparation of financial statements, is additionally guaranteed by the fact that the Company's accounting books are maintained in an integrated ERP system.

The most significant area of the Company's risk exposure is market risk, including in particular the foreign currency risk and interest rate risk. Exposure to such types of risk results from the Company's active use of financial instruments as well as from entering

into the implementation contracts denominated in foreign currencies. The principles of measurement and management of individual types of risk have been described both in the consolidated and separate financial statements for the year ended 31 December 2012.

The Management Board continues to monitor the Company's exposure to particular types of risk and in the event of excessive risk concentration it undertakes hedging transactions, especially in relation to the implementation contracts (where currency forward contracts are used). In the event no hedging transactions are available, the Management Board observes market changes of the parameter being the source of risk exposure, and monitors the total potential impact on the Company's financial results.

The internal control and risk management procedures applied in the process of preparing the Company's financial statements are very effective and enable production of high quality reports, which is best proved by the opinions expressed by certified auditors following their audits of our financial statements.

#### **4. Shareholders who, directly or indirectly, hold significant stakes of shares inclusive of the numbers of shares and equity interests held, and the numbers of votes and voting interests they are entitled to at the General Meeting of Shareholders.**

To the best knowledge of the Company's Management Board, as at the publication date of this report, i.e. on 20 February 2012, the Shareholders who, either directly or through their subsidiaries, held at least 5% of the total votes at the General Meeting of Shareholders were as follows:

<b>NAME OF SHAREHOLDER</b>	<b>Number of shares held and votes at GMS</b>	<b>Equity interest and voting interest at GMS</b>
Asseco Poland SA	26 494 676	51.06%
European Bank for Reconstruction and Development	4 810 880	9.27%
Liatris d.o.o.	3 838 683	7.40%
Other shareholders	16 750 012	32.28%
	<b>51 894 251</b>	<b>100.00%</b>

#### **5. Holders of any securities carrying special rights with regard to control of the Company and description of such rights.**

1) In accordance with § 13 sect. 3 point 1) of the Company's Articles of Association, our major shareholder Asseco Poland SA ("ACP") shall be entitled to:

- appoint and dismiss 3 (three) members of the Supervisory Board in the event the Supervisory Board is composed of 5 (five) members,
- appoint and dismiss 4 (four) members of the Supervisory Board in the event the Supervisory Board is composed of 6 (six) members,
- appoint and dismiss 4 (four) members of the Supervisory Board in the event the Supervisory Board is composed of 7 (seven) members.

2) In accordance with § 13 sect. 3 point 2) of the Company's Articles of Association European Bank for Reconstruction and Development shall appoint and dismiss one member of the Supervisory Board.

3) In accordance with the Shareholders Agreement concluded on 1 June 2009 ("Agreement") between the Company, ACP and Renato Rubeša, Marinko Čulina, Biber d.o.o., Isokissa d.o.o., Krilab d.o.o., Hardbit d.o.o., Goran Vučković, Aragorn d.o.o., Grigore-Remus Dorobantu, Catalin-Radu Georgian, Adriana-Gratzuela Bailescu, Adriana-Gratzuela Bailescu, Drazen Pehar, Emir Memić, Boris Nanut, Dragos Serban Stan, Ion C. Coltan, Alexandru Visan, SRMI INVEST d.o.o., MINI INVEST d.o.o., Liatrix d.o.o., I4-INVENTION d.o.o. ("Minority Shareholders"):

a) provided the Minority Shareholders' equity interest in the Company is higher than 12.5%, they shall be entitled to recommend 1 (one) member of the Supervisory Board, in which situation ACP should exercise all of its voting rights at the General Meeting of Shareholders to appoint such recommended person as member of the Supervisory Board;

b) the Supervisory Board member appointed following a recommendation of Minority Shareholders, as referred to in item a) above, shall be entitled to recommend 1 (one) member of the Management Board, in which situation ACP should instruct its Supervisory Board members to vote for appointment of such recommended person as member of the Management Board.

**6. Limitations on the exercise of voting rights, such as limitations on voting by holders of a certain portion or number of votes, timing limitations on voting, or other provisions under which, in cooperation with the Company, ownership of securities is deprived of some rights incidental thereto.**

None

**7. Limitations on transferability of ownership rights to the Issuer's securities.**

1) The series N shares are subject to the lock-up obligation set out in the SHARE PURCHASE AGREEMENT ("N Agreement") that was concluded on 5 November 2009 between the Company and its shareholders holding the series N shares ("N Shareholders"). Pursuant to the N Agreement, within the effective term of the lock-up obligation, this is within 3 years from the date of concluding the N Agreement, the N Shareholders may only sell their shares upon approval by the Company.

2) Under the SHARE PURCHASE AGREEMENT ("R Agreement") that was concluded on 13 September 2010 between the Company and its shareholders holding the series R shares ("R Shareholders"). The R Shareholders are not entitled to sell any of their shares before 31 December 2012; whereas, after 1 January 2013 this limitation shall no longer apply.

3) Under the SHARE PURCHASE AGREEMENT ("S Agreement") that was concluded on 30 July 2010 between the Company and its shareholders holding the series S shares ("S Shareholders"):

a) the S Shareholders are not entitled to sell any of their shares before 30 July 2011; whereas, after 1 August 2011 the S Shareholders are entitled to sell 418,739 shares;

b) after 1 February 2012 the said limitation shall no longer apply.

**8. Rules regarding appointment and dismissal of the management members and determining their authority, in particular the right to decide on issuance or redemption of shares.**

The Management Board shall manage the Company's operations and assets and represent the Company outside in relations with courts, administration bodies, and other third parties. The Management Board shall take decisions concerning all the matters which, under the provisions of law or these Articles of Association, are not specifically reserved for the Supervisory Board or General Meeting of Shareholders.

The Management Board shall be composed of 1 (one) to 9 (nine) members, including the President, Vice Presidents and remaining members of the Management Board. The joint term of office of Members of the Management Board shall last 5 (five) years. Each Member of the Management Board may be reappointed to the next term of office. Members of the Management Board may be appointed from among the Company's shareholders or other persons.

The Management Board shall be appointed and dismissed by the Supervisory Board, whereas any motions for determining the number of persons in the Management Board composition, or for appointment of the remaining Members of the Management Board, shall be submitted by President of the Management Board to Chairman of the Supervisory Board. Should President of the Management Board fail to submit adequate motions in due time, which guarantees efficient functioning of the Management Board, the Supervisory Board shall take actions on its own initiative.

President of the Management Board shall submit to the Supervisory Board motions for determining the remuneration of Members of the Management Board other than himself/herself. Should President of the Management Board fail to submit adequate motions in due time, which guarantees efficient functioning of the Management Board, the Supervisory Board shall take actions on its own initiative. The remuneration of President of the Management Board shall be determined by the Supervisory Board at its own discretion.

Mandates of Management Board Members shall expire at the latest on the date of holding the General Meeting of Shareholders that approves the report on the Company's operations and its financial statements for the last full financial year when the Management Board Members performed their functions.

A Member of the Management Board may be dismissed at any time. Such dismissal shall not deprive the dismissed person of any rights under their employment contract or any other legal relationship incidental to performing the function of the Management Board Member. A dismissed Member of the Management Board shall be entitled and obliged to provide explanations during preparation of the Company's management report and financial statements for the period when he/she acted as Member of the Management Board, as well as to participate in the General Meeting of Shareholders which is to approve the report and statements referred to in art. 395 § 2 item 1 of the Polish Commercial Companies Code. Responsibilities and authority of the management staff are described in art. 371 and subsequent articles of the Polish Commercial Companies Code as well as in item 11 of this report.

## **9. Rules regarding amendment of the Issuer's Articles of Association.**

Amendments of the articles of association of a joint-stock are regulated in detail in chapters 4, 5 and 6 of the Polish Commercial Companies Code (art. 430 and subsequent articles). The Company's Articles of Association do not contain any detailed regulations pertaining to amendments thereof. In this respect the Company adheres to the provisions of the Polish Commercial Companies Code, under which an amendment of the articles of association shall require:

- a resolution of the general meeting of shareholders, and
- an entry in the National Court Register (art. 430 of the PCCC).

An amendment of the articles of association may be adopted by the general meeting of shareholders. In order to initiate amendment of the articles of association, the notification of calling a general meeting of shareholders must include both the existing provisions of the articles of association and the proposed amendments. If the intended amendments are extensive, the general meeting announcement may also contain a draft of the consolidated text of the articles of association, along with a specification of new or amended provisions

thereof.

Amendments of the articles of association shall be adopted by the general meeting of shareholders by a three-quarters majority of votes. The articles of association may impose stricter requirements as regards both the majority of votes and the quorum; however, the Company's Articles of Association do not stipulate such stricter requirements. In the event an amendment concerns the provisions on:

- the scope of the Company's business operations – such amendment shall require a two-thirds majority of votes, with the reservation that in voting over a significant change of the scope of business operations any preferred shares shall be deprived of their preference voting rights;
- an increase of the shareholders' contributions or a reduction of their personal rights – such amendment shall be agreed to by all the involved shareholders.

If a company has shares with different rights (e.g. preferred shares and ordinary shares), an amendment of its articles of association that may adversely affect the rights of holders of a given class of shares must be adopted by passing a relevant resolution separately in every group (class) of shares. Such resolution may be passed by the required majority of votes cast in each of those groups. In a resolution on amendment of the articles of association, the general meeting of shareholders may authorize the supervisory board to prepare a consolidated text of the amended articles of association or to make other corrections of editorial nature.

In exceptional circumstances, the articles of association may be amended by a resolution of the management board recorded by a notary public, and not by a resolution of the general meeting of shareholders. This may happen in certain cases determined in the Polish Commercial Companies Code such as a decrease of the company's share capital (for instance, through the retirement of treasury shares which were not purchased by the company's employees during a given year).

#### *Registration obligations:*

An amendment of the articles of association shall become effective once it is entered in the National Court Register. Any amendment of the articles of association shall be submitted for registration by the company's Management Board, within 3 months from the adoption of a relevant resolution. However, when the articles of association are amended following an increase of the company's share capital, such amendment may be submitted for registration within 6 months from the adoption of a resolution on the share capital increase, or from the date of an approval to introduce the newly issued shares to public trading if such approval is granted, provided a request for such approval or an announcement of a share issuance is made within 4 months from the adoption of a resolution on the share capital increase.

### **10. The manner of operation and essential authorities of the General Meeting of Shareholders, description of the shareholders' rights and the exercise thereof, and in particular the rules set forth by the Bylaws of the General Meeting of Shareholders provided such bylaws have been adopted, unless such information is determined directly by the provisions of law.**

#### *Authorities of the General Meeting of Shareholders*

The General Meeting of Shareholders constitutes the Company's supreme governing body. The General Meeting of Shareholders operates pursuant to the generally applicable legal regulations as well as in accordance with the Company's Articles of Association, and the Bylaws of the General Meeting of Shareholders.



The General Meeting of Shareholders is competent in the following matters:

- 1) considering and approving the Management's report on the Company's business operations and the financial statements for the prior year,
- 2) adopting resolutions on the distribution of profit or coverage of loss, on determining the amounts of appropriations to the Company's reserve capital or other funds, on establishing the dividend right date, amount of dividend, and the dividend payment date,
- 3) acknowledging the fulfilment of duties by members of Company's governing bodies,
- 4) make decisions as to the claims concerning the redress of the damage inflicted in the establishment of the Company, performance of management or supervision
- 5) taking decisions concerning the received claims for compensation of losses incurred whilst establishing, managing or supervising the Company,
- 6) passing resolutions on disposal, leasing or establishing a limited property right on the Company's enterprise or on any organized part thereof,
- 7) passing resolutions on the Company's merger with another company, on liquidation of the Company and appointment of a liquidator,
- 8) passing resolutions on issuance of convertible or privileged bonds or subscription warrants as indicated in art. 453 § 2 of the Commercial Companies Code,
- 9) amending the Company's Articles of Association, inclusive of passing resolutions on increase or decrease of the Company's share capital,
- 10) changing the scope of the Company's business operations,
- 11) defining the principles for remuneration payable to members of the Supervisory Board,
- 12) adopting the Bylaws of the General Meeting of Shareholders,
- 13) passing resolutions on cancellation of shares,
- 14) taking other decisions provided for in the provisions of law and the Articles of Association, as well as settlement of cases submitted by the Company's shareholders, Management Board or Supervisory Board.

The General Meeting of Shareholders may adopt resolutions concerning all the Company's matters, irrespective of the number of shares represented thereat, unless otherwise stated in the Commercial Companies Code and the Articles of Association.

#### *Rules for convening of the General Meeting of Shareholders*

The General Meeting of Shareholders may be ordinary or extraordinary.

An Ordinary General Meeting of Shareholders shall be convened by the Management Board not later than till 30 June of each successive calendar year. Should the Management Board fail to convene an Ordinary General Meeting of Shareholders in the deadline specified above, such General Meeting may be convened by the Supervisory Board.

An Extraordinary General Meeting of Shareholders shall be convened by the Management Board on its own initiative or upon request of shareholders representing at least one-twentieth of the Company's share capital. An Extraordinary General Meeting of Shareholders may be also convened by the Supervisory Board, should they deem it advisable. Furthermore, an Extraordinary General Meeting of Shareholders may be convened by shareholders representing at least half of the share capital or at least half of the total votes in the Company; such shareholders shall also elect the Chairman of the General Meeting of Shareholders.

A shareholder or shareholders representing at least one-twentieth of the Company's share capital may request the convening of an Extraordinary General Meeting of Shareholders as well as including certain issues in its agenda. Such request should be submitted to the Management Board, in writing or using means of electronic communication. In the event an Extraordinary General Meeting of Shareholders is not convened within two weeks of submitting such request to the Management Board, the competent registry court may authorize the requesting shareholders to convene an

Extraordinary General Meeting of Shareholders themselves. The court shall also appoint the Chairman of such General Meeting of Shareholders.

The regulations concerning the court's authorization to convene a general meeting are provided in art. 401 of the Commercial Companies Code.

A general meeting of shareholders of a public company shall be convened at least 26 days prior to the date of holding the general meeting, by making an announcement to that effect on the company's website as well as in the manner required for disclosure of current information under the provisions of the Law on public offering, conditions governing the introduction of financial instruments to organized trading, and on public companies.

The announcement of convening of a public company's general meeting shall at least:

- 1) specify the date, time and place of the general meeting as well as detailed agenda for the general meeting;
- 2) provide a precise description of the procedures for participation in the general meeting and the exercise of voting rights, and in particular provide information on:
  - a) the shareholders' right to demand putting certain issues on the general meeting agenda,
  - b) the shareholders' right to submit draft resolutions on the issues included in the meeting agenda or on the issues to be included in the meeting agenda before the date of the general meeting,
  - c) the shareholders' right to submit draft resolutions on the issues included in the meeting agenda during the course of the general meeting,
  - d) the manner of exercising of voting rights by a proxy inclusive of the document forms to be used in voting by a proxy, as well as on the manner of notifying the Company about establishing a proxy by means of electronic communication,
  - e) the possibility and manner of participating in the general meeting via means of electronic communication,
  - f) the manner of making utterances during the general meeting via means of electronic communication,
  - g) the manner of exercising of voting rights via correspondence or means of electronic communication;
- 3) specify the day of registration of participation in the general meeting;
- 4) inform that the only persons eligible to participate in the general meeting are the company's shareholders on the day of registration of participation in the general meeting;
- 5) indicate where and how a person eligible to participate in the general meeting may obtain the complete documentation which is to be presented to the general meeting as well as the texts of draft resolutions or, if no resolutions are intended for adoption, the comments of the company's management board or supervisory board concerning the matters included in the general meeting agenda or the matters to be included in the agenda before the date of the general meeting;
- 6) indicate the address of the website where information concerning the general meeting will be made available.

Furthermore, as of the date of convening of the general meeting of shareholders, the following information shall be provided in the company's website:

- 1) announcement of the convening of the general meeting,

- 2) information on the total number of shares in the company as well as on the number of votes carried by those shares as at the announcement date and, if the company has different classes of shares, also the presentation of the number of shares and votes represented by each class,
- 3) documents to be presented to the general meeting,
- 4) draft resolutions or, if no resolutions are intended for adoption, the comments of the company's management board or supervisory board concerning the matters included in the general meeting agenda or the matters to be included in the agenda before the date of the general meeting,
- 5) document forms enabling the exercise of voting rights by a proxy or via correspondence, if they are not sent directly to all the shareholders.

If the applicable provisions of law allow a power of proxy to participate and exercise voting rights at the General Meeting to be granted in electronic form, a person entitled to participate in the General Meeting shall notify the Company in case they grant such a power of proxy. The notification may be made in writing or in electronic form. A notification made in electronic form shall be sent to the Company by e-mail to the address indicated on the Company's website or in the announcement of convening of the General Meeting. The Management Board may determine another method for submitting such notification. The required method of notification shall be each time indicated in the announcement of convening of the General Meeting.

Such notification shall include:

- a. first name and surname or corporate name of the principal, and first names and surnames of the persons authorized to grant a power of proxy on the principal's behalf,
- b. type and number of the identity document as well as the principal's personal identification number (PESEL) in case of natural persons, or company registration number (KRS) in case of legal persons entered in the register of entrepreneurs,
- c. first name and surname of the proxy,
- d. place of residence (corporate seat) of both the principal and the proxy,
- e. phone number and e-mail address enabling continuing contact with the principal,
- f. date of granting the power of proxy,
- g. indication of the General Meeting the power of proxy is granted for,
- h. scope of the power of proxy, and in particular any limitations of the power of proxy as well as indication whether the proxy may designate further proxies,
- i. indication whether the power of proxy is revocable.

Such notification shall be submitted to the Company allowing the time for identification of the principal and his designated proxy and in any case not later than two days before the date of the General Meeting.

#### *Rules for Conducting the General Meeting of Shareholders*

Every participant is required to sign in the list of attendance immediately after coming to the place of the General Meeting. Before signing in the list of attendance, participants are obliged to present a document proving their identity beyond any doubt. Whereas, persons acting as representatives, before signing in the list of attendance, are additionally obliged to submit in the record documents confirming undoubtedly their legitimate authorization to represent the person entitled to participate in the General Meeting. Furthermore, a proxy whose power of proxy has been granted in electronic form, before signing in the list of attendance, is additionally obliged to submit in the record a print-out of their letter of proxy or to send such letter of proxy by e-mail to the address indicated on the Company's website or in the announcement of convening of the General Meeting.

The General Meeting shall be opened either by Chairman of the Supervisory Board or by his designated person. In case Chairman of the Supervisory Board or his designated

person is absent, the General Meeting shall be opened by President of the Management Board or a person so designated by the Management Board. Afterwards the person opening the General Meeting shall give an order to elect the Chairman. The Chairman shall be elected from among all the participants. The Chairman shall be elected in a secret ballot. The person opening the General Meeting shall oversee the proper conduct of such voting and announce the result thereof.

Immediately after being elected, the Chairman shall take charge over the General Meeting from the person opening the General Meeting, and also sign the list of attendance. Having taken up their position, the Chairman may order election of a three-person Returning Committee to calculate the voting results and perform other activities connected with the voting process. Members of the Returning Committee shall be elected in a secret ballot.

The Chairman shall be responsible for managing the proceedings of the General Meeting, and in particular for:

- 1) ensuring efficient conduct of the General Meeting in accordance with the adopted agenda and with due observance of the rights and interests of all shareholders,
- 2) counteracting any abuse of rights by the General Meeting participants,
- 3) allowing the meeting participants to speak or forbidding the speakers to continue,
- 4) closing and announcing the lists of candidates,
- 5) reading the draft resolutions out,
- 6) commanding particular votes and overseeing the proper conduct of voting,
- 7) announcing the results of voting,
- 8) ordering short breaks in the proceedings of the General Meeting, which shall not constitute an adjournment of the session, for technical or organizational reasons but also in order to call on competent security staff to remove a participant from the venue of the General Meeting in the event they impede orderly conduct of the General Meeting and their behaviour is aggressive or importunate towards other meeting participants,
- 9) bringing any procedural issues for debate,
- 10) changing the order of consideration of particular issues included in the meeting agenda,
- 11) interpretation of the provisions of the Bylaws of the General Meeting.

The General Meeting may, at the Chairman's motion, resolve to limit the time of utterances and close the list of speakers, provided the meeting participants have already spoken both in favour of and against adoption of the proposed resolution. The Chairman shall have the right to make final editorial changes of a motion being put to a vote, if the wording of a proposed resolution has not been clearly formulated by the discussion participants. Having taken charge over the General Meeting, the Chairman shall:

- 1) determine whether the General Meeting was properly convened or – in case the General Meeting is held without being formally convened – whether the entire share capital is represented at the General Meeting and if none of the participants raises an objection against such meeting to take place or against resolving on any particular issue included in the agenda,
- 2) state whether the General Meeting is able to pass resolutions.

In the event there are no grounds for determining that the General Meeting was properly convened and that it is able to pass resolutions, the Chairman shall close the General Meeting.

Having determined the General Meeting is able to pass resolutions, the Chairman shall read out the agenda of the General Meeting and order a vote on the resolution on adopting the agenda. Any matters that do not require adoption of a resolution may be subject to consideration by the General Meeting even if they were not included in the meeting agenda. No resolution may be passed on issues that are not included in the meeting agenda, unless the Company's entire share capital is represented at the General Meeting and none of the participants raises an objection against passing such a resolution. Resolutions on convening an Extraordinary General Meeting as well as resolutions of procedural nature may be passed despite not being included in the meeting agenda. The General Meeting may pass a resolution on removing a particular issue from the meeting agenda. A motion for adopting such a resolution should be duly justified.

Draft versions of the resolutions to be passed by the General Meeting shall be prepared by a corporate body of the Company or by the persons who convened or requested convening of the General Meeting. Each participant may, during the course of the General Meeting, propose draft resolutions concerning the issues included in the meeting agenda. Participants are required to inform the Chairman about their intention of proposing draft resolutions and to submit such draft resolutions in writing to the Chairman, at the latest after the General Meeting passes a resolution on adopting the meeting agenda. If two or more draft resolutions are proposed on the issue included in the meeting agenda, a list of draft resolutions shall drawn up. Such a list shall mention at the first place the draft resolution prepared by a corporate body of the Company or by the persons who convened or requested convening of the General Meeting, and afterwards further draft resolutions in the sequence of being proposed, including the names of persons proposing each draft resolution.

Before consideration of any issue is commenced, the actual state of the matter shall be presented by the Chairman or by his designated person. Afterwards the Chairman shall read out the draft resolution, provided the subject issue requires adoption of a resolution. In the event several draft resolutions are proposed on the subject issue, the Chairman shall read them out in the sequence resulting from the list of draft resolutions. If the texts of draft resolutions are made available to participants during the discussion and voting, the Chairman may refrain from reading the draft resolutions out and, instead of that, just mention them all in the sequence resulting from the list of draft resolutions. During the discussion each participant may submit motions, supported by appropriate justification, for changing any of the draft resolutions. The Chairman shall accept the proposed amendment of a draft resolution on condition none of the participants raises an objection against such amendment. In the event any objection is made, the Chairman shall put the proposed amendment to a vote. The General Meeting shall pass a resolution either on acceptance or rejection the proposed amendment.

Having ascertained no further utterances or motions are made, the Chairman shall close the discussion and order voting over draft resolutions on a particular issue taking into account any earlier adopted amendments. Voting over draft resolutions on a particular issue shall be conducted in the sequence of appearance in the list of draft resolutions. If as a result of voting a particular draft resolution receives a majority of votes required to pass a resolution, such resolution shall be deemed adopted in the shape proposed in its draft. In such event the remaining draft resolutions on the same issue shall not be put to vote.

Voting at the General Meeting shall be open unless the provisions of the Polish Commercial Companies Code or the Articles of Association require taking a secret ballot. 4. Secret ballots shall be administered during the Supervisory Board election and when voting on the motions for dismissal of members of the Company's governing bodies or liquidators, for holding such persons accountable as well as on the motions concerning any other personal matters. A secret ballot shall be also taken upon request of even one of the attending participants.

Each share confers the right to one vote at the General Meeting.

Subject to the provisions of the Commercial Companies Code and the Articles of Association, resolutions of the General Meeting shall be adopted by a simple majority of votes cast, irrespective of the number of shares represented at the General Meeting.

Voting shall be carried out by the method of electronic cards or by the method of voting cards. In the event of voting by the method of electronic cards, shareholders and shareholder proxies shall be provided with such electronic cards. Voting shall be executed by putting the appropriate end of the electronic card into the card reader. The detailed guidelines for voting by the method of electronic cards are each time determined in the voting instructions attached with the meeting record and made available to all attending shareholders. The votes cast are counted by an electronic device, the voting result is printed and subsequently signed by members of the Returning Committee and the Chairman. Should any justified doubts arise with regard to the correct counting of the votes, upon request of a shareholder or a group of shareholders or their proxies, the Chairman may order to repeat the vote by the method of voting cards.

In the event of voting by the method of voting cards, shareholders and shareholder proxies shall be provided with such voting cards stamped with the Management Board seal. Voting shall be executed by marking the desired option on the voting card. Subsequently, voting cards shall be thrown into the ballot box. The votes cast are counted by a three-person Returning Committee as earlier elected by the General Meeting.

Taking part in a vote via correspondence is not admissible.

Once a vote is completed the Chairman shall announce the result thereof.

The General Meeting may pass a resolution on adjournment of its session. Adjournments may not last longer than thirty days in aggregate. A resolution on adjournment of the General Meeting should specify the date and time when the session of the General Meeting shall be resumed. Should a resolution on adjournment of the General Meeting be adopted, maintaining the identity of its participants shall not be obligatory for the Meeting to continue. A resolution on adjournment of the General Meeting does not require any additional announcement of convening or resuming the General Meeting or any additional publication of its agenda. Should the General Meeting adjourn its session, the resolutions adopted prior to the adjournment shall be recorded in the minutes with a remark that General Meeting was adjourned. Resolutions adopted after the resumption of the General Meeting shall be recorded in separate minutes, and if several adjournments take place, separate minutes shall be taken for each of the sessions. Every record of the minutes shall be appended with a list of attendance at the particular session of the General Meeting.

The Chairman may order short breaks of the General Meeting for technical reasons. In such event the Chairman shall inform the participants of the time and place the General Meeting shall be resumed.

After addressing all the items on the agenda, the Chairman shall announce closure of the General Meeting.

Resolutions of the General Meeting shall be recorded in the minutes prepared by a notary public. A record of the minutes shall include in particular:

- a) statement whether the General Meeting was properly convened and whether it is able to pass resolutions,
- b) adopted resolutions,

c) with respect of every resolution, an indication of the number of shares rendering valid votes, interest of such shares in the Company's share capital, the total number of valid votes cast, the numbers of votes "For", "Against", and "Abstain" as well as any objections raised.

The minutes shall be appended with the list of attendance. A copy of the minutes along with the evidence of convening of the General Meeting, and the letters of proxy and other documents accompanying the letters of proxy, shall be retained by the Management Board in the Book of Minutes. Furthermore, in the Book of Minutes should be included the Returning Committee records of the voting results, provided a Returning Committee is elected, as well as voting cards in the event of voting by the method of voting cards.

## **11. Compositions, last year changes in the compositions, and operations of the Issuer's management, supervisory and administrative bodies and their committees.**

### **Management Board:**

The Management Board operates pursuant to the Polish Commercial Companies Code, in particular art. 371 and subsequent articles of the PCCC, as well as in accordance with the Company's Articles of Association, and the Management Board Bylaws.

The Management Board shall manage the Company's operations and assets and represent the Company outside in relations with courts, administration bodies, and other third parties. The Management Board shall take decisions concerning all the matters which, under the provisions of law or these Articles of Association, are not specifically reserved for the Supervisory Board or General Meeting of Shareholders.

#### *Execution of Management Functions:*

The Management Board shall operate basically by holding meetings and passing resolutions that concern the Company's business and execution of management functions. Activities of the Management Board shall be managed by President of the Management Board, and during his absence by another Member of the Management Board designated by the President. Members of the Management Board are obliged to take an active part in the Management Board meetings.

Periodical (holiday) leaves from the execution of management functions shall be allowed to Members of the Management Board by President of the Management Board.

President of the Management Board shall exercise superior control over all the Company's employees and organizational units which are directly subordinated to Members of the Management Board.

President of the Management Board is entitled to take individual final decisions on the Company's internal relations, and in particular on the employee relations. Given such authority President of the Management Board may overrule a decision made by another Member of the Management Board, unless a prior resolution of the Management Board or the provisions of law require otherwise.

The detailed delegation of authorities to individual Members of the Management Board shall be determined by a separate resolution. By adopting an appropriate resolution, the Management Board may change the distribution of supervisory and management responsibilities delegated to individual Members of the Management Board in particular areas of the Company's business.

The Management Board may temporarily assign to any of its Members additional responsibilities, other than those resulting from the regular distribution of work, by adopting a resolution stipulating the scope and the period of performing such tasks.

The Management Board may grant a power of attorney. The power of attorney may be granted by a resolution adopted unanimously by all Members of the Management Board. The Management Board may also appoint proxies in order to perform specific assignments, who shall be authorized to act within the limitations of the received letter of proxy.

The power of attorney or proxy may be withdrawn upon a motion of each Member of the Management Board, acting on the basis of representation as entered in the register of entrepreneurs. A motion for withdrawal of the power of attorney or proxy filed by one Member of the Management Board shall be binding upon all other Members of the Management Board.

The Management Board shall pass resolutions particularly on the following matters:

- 1/ Determining a development strategy both for the Company and its Capital Group, and introducing any necessary modifications during the implementation of such strategy, as well as defining the principles for ownership supervision and management of the Capital Group, inclusive of its financial management.
- 2/ Determining the Company's asset and financial plans and their implementation schedules.
- 3/ Taking decisions concerning the establishment or liquidation the Company's organizational entities or units.
- 4/ Determining the Company's organizational regulations, work regulations, and employee remuneration regulations, as well as introducing amendments of such regulations.
- 5/ Accepting annual financial statements of the Company and annual consolidated financial statements of the Capital Group, as well as annual reports on the Company's operations and on the Group's operations, in sufficient time to receive opinion of the Supervisory Board and approval by the General Meeting of Shareholders in accordance with the Company's the Articles of Association and the applicable provisions of law.
- 6/ Delegation of responsibilities among the Management Board Members.
- 7/ Determining and amending the Management Board Bylaws.
- 8/ Granting a power of attorney.
- 9/ Submitting motions to the Supervisory Board or the General Meeting of Shareholders in all the matters which, under the provisions of law and the Company's Articles of Association, are specifically reserved to the competence of those governing bodies.
- 10/ Convening of Ordinary and Extraordinary General Meetings of Shareholders, as well as proposing the meeting agenda and preparing draft resolutions.

Each Member of the Management Board shall be entitled and obliged to manage the matters assigned to him/her under the Management Board resolution on delegation of responsibilities among the Management Board Members.

However, if before taking a decision on a particular matter, any of the remaining Members of the Management Board raises an objection or the matter needs to be addressed by collective decision (pursuant to the Commercial Companies Code, the Company's Articles of



Association or the Management Board Bylaws), then such matter shall be decided by a resolution of the Management Board.

Bearing in mind the best interest of the Company, the Management Board sets forth the strategy and the main objectives of the Company's operations, and submits them to the Supervisory Board. The Management Board is liable for the implementation and performance of the same. The Management Board cares for transparency and effectiveness of the Company management system and the conduct of its business in accordance with the legal regulations and best practice.

While making decisions on corporate issues, Members of the Management Board should act within the limits of justified economic risk, i.e. after consideration of all information, analyses and opinions, which, in the reasonable opinion of the Management Board, should be taken into account in a given case in view of the Company's interest. While determining the interest of the Company, one should keep in mind the justified in long-term perspective interests of the shareholders, creditors, employees of the Company and other entities and persons cooperating with the Company, as well as the interests of local community.

In transactions with shareholders and other persons whose interests have impact on the interest of the Company, the Management Board should act with utmost care to ensure that the transactions are conducted at arms' length.

A Management Board Member should display full loyalty towards the Company and avoid any actions which could lead to implementing exclusively own material interest. If a Management Board Member receives information on the possibility of making an investment or another advantageous transaction concerning the subject of the Company's business, he/she should present such information immediately to the Management Board for the purpose of considering the Company's ability to take advantage of such opportunity. Such information may be used by a Management Board Member or passed over to a third party only upon consent of the Management Board and only when this does not infringe the Company's interest.

Members of the Management Board are obligated to inform the Supervisory Board of each conflict of interest in connection with the performed function or of the risk of such conflict.

*Meetings of the Management Board:*

The Management Board shall hold meetings at least once per two months. Meetings of the Management Board shall be held at the Company's registered seat or in other places as may be indicated by President of the Management Board. The Management Board meetings may be held via electronic means of communication with the use of online multi-media communication. Meetings of the Management Board shall be called by President or instead of him/her by Vice President of the Management Board. In justified cases any Member of the Management Board may convene a meeting. The person calling a meeting of the Management Board shall notify the Management Board Members accordingly at least 7 days before the date of such meeting, in writing or by electronic mail. In case of emergency, President or instead of him/her Vice President of the Management Board may decide on another manner or deadline to notify Members of the Management Board about the meeting date.

A notification of the Management Board meeting should provide the meeting agenda as well as the materials concerning the issues included in the meeting agenda, unless such materials shall be prepared for presentation at the meeting. The meeting agenda may be changed during the meeting provided none of the attending Members of the Management Board raises an objection against such change.

Each Member of the Management Board shall be entitled to request for including a certain issue in the meeting agenda on condition he/she prepares a relevant draft

resolution of the Management Board and an appropriate, written or oral, justification thereof two days in advance, with reservation that President of the Management Board may request for including a certain issue in the meeting agenda at any time.

All the support activities related to convening and conducting a meeting of the Management Board shall be performed by the Management Office or by a person so designated by President of the Management Board. Minutes of the Management Board meeting shall be taken in complete or abridged version. The preparation of the meeting minutes may be abandoned on condition the resolutions of the meeting are entered onto separate minutes. The meeting minutes shall be subject to acceptance by the Management Board during the same meeting.

Subsequently the accepted meeting minutes shall be signed by President and all Members of the Management Board participating in the meeting covered by such minutes, as well as by the person taking the minutes. The original meeting minutes shall be retained in the Register of the Management Board Work.

*Passing of Resolutions:*

Resolutions of the Management Board shall be adopted by a simple majority of votes, except for granting the power of attorney which shall be subject to obtaining consent of all the Management Board Members. Effective resolutions of the Management Board may be adopted on provision that all Members of the Management Board have been notified of the meeting and at least half of them are present at the meeting. In case the numbers of votes "for" and "against" are equal, the President's vote shall prevail.

Meetings of the Management Board may be participated via phone or other means that enable mutual communication among all the Management Board Members participating in the meeting. Resolutions passed in this manner shall be effective provided all Members of the Management Board have been notified of the text of draft resolutions and that the meeting minutes are signed by Members of the Management Board participating in such meeting. Chairman of the Management Board meeting shall sign the meeting minutes on behalf of Members of the Management Board participating in such meeting via phone or other means of communication, in which case the meeting minutes signed in this manner shall be appended with the votes cast by Members of the Management Board participating in such meeting through the means of direct remote communication. Absent Members of the Management Board may also sign a separate document containing the minutes of the Management Board meeting, in which case such document shall be attached to the meeting minutes signed by other Members of the Management Board.

Members of the Management Board may also participate in adopting resolutions by casting their votes in the form of a signature under the document containing the text of a proposed resolution; however, resolutions passed in this manner shall be effective provided they are signed by all Members of the Management Board.

The Management Board may invite to its meeting the Company's employees or other persons competent in the issues to be discussed. Voting of the Supervisory Board shall be open. However, upon request of even one of the attending Members of the Management Board, President of the Management Board or the person in charge of the meeting shall administer a secret ballot.

Resolutions of the Management Board shall come into effect from the day when passed or on the date indicated therein. A resolution may be amended by passing a new resolution on the same issue.

On 26 April 2012 the Supervisory Board of the Company acting pursuant to art. 369 § 1 of the PCCC in connection with art. 368 § 4 of the PCCC and § 13 sec. 12 item 9) of the Company's Articles of Association appointed current Members of the Management Board for

a common five-year term of office for the period from 11 July 2012 to 11 July 2017:

Piotr Jeleński	President of the Management Board
Rafał Marek Kozłowski	Vice President of the Management Board
Miljan Mališ	Member of the Management Board
Calin Barseti	Member of the Management Board
Dražen Peħar	Member of the Management Board
Miodrag Mirčetić	Member of the Management Board
Hatice Ayas	Member of the Management Board

On 14 May 2012 Rafał Marek Kozłowski resigned from the position of Vice President of the Management Board effective as at the date of 1 June 2012.

On 24 May 2012 the Supervisory Board of the Company acting pursuant to art. 369 § 1 of the PCCC in connection with art. 368 § 4 of the PCCC and § 13 sec. 12 item 9) of the Company's Articles of Association appointed Marcin Rulnicki for a Member of the Management Board of current term of office from the date of 1 June 2012 and for a common five-year term of office for the period from 11 July 2012 to 11 July 2017.

As at 31 December 2012, and as at publication of this report, the Company's Management Board was composed of the following persons:

Piotr Jeleński	President of the Management Board
Marcin Rulnicki	Member of the Management Board
Miljan Mališ	Member of the Management Board
Calin Barseti	Member of the Management Board
Dražen Peħar	Member of the Management Board
Miodrag Mirčetić	Member of the Management Board
Hatice Ayas	Member of the Management Board

### **Supervisory Board:**

The Supervisory Board operates pursuant to the Polish Commercial Companies Code, the Company's Articles of Association, and the Supervisory Board Bylaws which were adopted by a resolution of the Supervisory Board of 18 January 2010 with the amendments implemented by the Supervisory Board's resolution from 8 August 2012.

The Supervisory Board shall exercise continuing supervision over the Company's activities in all areas of business. The Supervisory Board shall be composed of 5 (five) to 7 (seven) members to be appointed in accordance with the Company's Articles of Association. Each Member of the Supervisory Board may be reappointed to perform this function.

Mandate of a Member of the Supervisory Board shall expire prior to the end of the term of office in the event of:

- 1/ filing a written resignation to the Supervisory Board Chairman;
- 2/ dismissal in accordance with the Company's Articles of Association;
- 3/ death.

In the event of early expiry of the mandate of a Supervisory Board Member, the composition of the Supervisory Board shall be supplemented pursuant to the Company's Articles of Association.

Members of the Supervisory Board may be also appointed or dismissed during the term of office subject to the procedure determined by the Company's Articles of Association. Mandates of the Supervisory Board Members shall expire on the date of holding the General Meeting of Shareholders that approves the Company's financial statements for the last full financial year when the Supervisory Board Members performed their functions.

Members of the Supervisory Board may be paid remuneration as determined by a resolution

of the General Meeting of Shareholders.

Members of the Supervisory Board shall provide to the Management Board quarterly statements on their organizational relationships with certain shareholders, in particular with majority shareholders, in order to enable the Company to disclose such information to the public.

A Member of the Supervisory Board is obliged to inform the Management Board about sale or purchase of the Company's shares or shares in the Company's parent or subsidiary as well as about any transactions with such companies provided these transactions have significant impact on the Member's financial standing. The Member of the Supervisory Board shall provide the above-mentioned information without delay so that it could be disclosed to the public by the Management Board in accordance with the provisions of law. If publication of such information is not required by law, any public disclosure thereof shall be subject to obtaining a prior consent of the Supervisory Board Member involved.

*Authorities of the Supervisory Board:*

The Supervisory Board shall exercise continuing supervision over the Company's business activities and its obligations include in particular:

- 1/ examining the financial statement as to their compliance with the books and records and the state of affairs,
- 2/ assessment of the Management Board recommendations concerning the distribution of profit or coverage of loss, or motions for issuance of corporate bonds,
- 3/ submitting a written report on the results of actions specified in items 1 and 2 to the General Meeting of Shareholders,

In order to fulfil its responsibilities specified above, the Supervisory Board is authorized and obliged to examine activities of any kind undertaken by the Company's organizational units or employees, review the Company's assets, and inspect the Company's books and documents. The Supervisory Board should obtain regular information from the Management Board on any and all issues significant for the Company's business operations as well as on the risk involved therein and ways of managing such risk. To this effect, the Supervisory Board may impose a deadline for preparation of relevant reports and explanations.

In addition to the above obligations, the Supervisory Board shall be responsible for:

- 1/ representing the Company in the agreements with members of the Management Board as well as in any disputes with the Management Board or its members,
- 2/ defining the principles for employment and remuneration of members of the Management Board,
- 3/ approving the Bylaws of the Management Board,
- 4/ choosing certified auditors to audit the Company's financial statements,
- 5/ determining the consolidated text of the amended Articles of Association and making other corrections of editorial nature as specified in a resolution of the General Meeting of Shareholders,
- 6/ appointing members of the Management Board (inclusive of President, Vice Presidents, and Members of the Management Board),
- 7/ adopting the Bylaws of the Supervisory Board,
- 8/ expressing consent to granting a commercial power of attorney by the Management Board,
- 9/ approving of the Company's annual financial plans and long-term business plans,
- 10/ giving consent, by a resolution, to an acquisition of own shares by the Company,

11/ giving consent to the granting of loans or taking out bank loans or borrowings by the Company, or to the assumption of other financial liabilities in excess of PLN 100,000 (one hundred thousand zlotys) or its equivalent in other currencies, in a single transaction or in a series of related transactions that have not been provided for in the Company's financial plans or business plans approved in accordance with the Articles of Association,

12/ giving consent to a purchase or disposal of real estate or a share in real estate or the right of perpetual usufruct, regardless of the value of assets to be purchased or disposed, if such a transaction has not been provided for in the Company's financial plans or business plans approved in accordance with the Articles of Association,

13/ giving consent to the incurring of expenses or capital expenditures by the Company or its subsidiaries and associates, and to the assumption of liabilities in excess of EUR 250,000 or its equivalent in other currencies, in a single transaction or in a series of related transactions that have not been provided for in the Company's financial plans or business plans approved in accordance with the Articles of Association,

14/ giving consent to the granting of any guarantees or sureties, and to the assumption of other off-balance-sheet liabilities or of an obligation to repair a damage, if such an action has not been provided for in the Company's financial plans or business plans approved in accordance with the Articles of Association,

15/ giving consent to a disposal, rental, pledge or registered pledge, mortgage or any other encumbrance or transfer of any part of the Company's assets, if such an action has not been provided for in the Company's financial plans or business plans approved in accordance with the Articles of Association,

16/ giving consent to the Company to purchase or acquire shares in other commercial companies as well as to enter into any personal or civil law partnerships,

17/ giving consent to a disposal of the Company's assets with a value exceeding 10% (ten percent) of the total net book value of fixed assets of the seller's entity to be determined on the basis of the latest financial statements examined by certified auditors, if such a transaction has not been provided for in the Company's financial plans or business plans approved in accordance with the Articles of Association,

18/ giving consent to a disposal, encumbrance, or free-of-charge transfer of copyrights and rights in inventions, industrial property rights, or other intellectual property rights, and in particular rights in the software source codes and trade marks, if such a transaction has not been provided for in the Company's financial plans or business plans approved in accordance with the Articles of Association,

19/ giving consent to the Company or its subsidiaries and associates to conclude agreements with the Company's Management Board or Supervisory Board members, shareholders or their related entities, where the total annual expenses exceed PLN 100,000 or its equivalent in other currencies, in a single transaction or in a series of related transactions that have not been provided for in the Company's financial plans or business plans approved in accordance with the Articles of Association. For the purposes of this provision the "related entity" means a person, company, or other entity that has either financial or family ties to any member of the Company's Management Board or Supervisory Board, or to the Company's shareholder. The "related entity" shall in particular include: (i) spouse, (ii) children, (iii) grandchildren, (iv) parents, (v) grandparents, or (vi) brothers and sisters as well as (vii) any entity indirectly or directly controlled by the persons specified above, or from which the persons specified above obtain significant economic benefits,

20/ giving consent to the Company to hire any advisors or other persons, who are not employees of the Company, in the capacity of consultants, lawyers, agents, etc. if the annual cost of hiring such a person exceeds EURO 100,000 or its equivalent in other currencies.

Members of the Supervisory Board should attend the Company's General Meetings in order

to provide necessary explanations and information about the Company to the participants in the General Meeting.

*Organization of the Supervisory Board Operation:*

The Supervisory Board shall fulfil its obligations by holding meetings and passing resolutions. The Supervisory Board may also engage in control and consultancy activities.

During the first meeting in a given term of office, the Supervisory Board shall appoint a Chairman from among its members, who will chair the Supervisory Board meetings and manage its work, and appoint a Vice Chairman to replace the Chairman during his absence.

The first meeting of a newly elected Supervisory Board shall be opened by the Chairman of the prior term of office, who shall chair the meeting until the new Supervisory Board is constituted. In case of the prior Chairman's absence, the meeting shall be opened and chaired by the prior Vice Chairman until the new Supervisory Board is constituted, and in case of his absence – by the oldest by age Member of the Supervisory Board.

The Supervisory Board may at any time dismiss its Chairman or Vice Chairman and appoint another Member of the Supervisory Board to perform this function. Such dismissal and reappointment shall be carried out during the same meeting of the Supervisory Board.

Appointment or dismissal of the Chairman or Vice Chairman shall be adopted by a simple majority of votes cast by the Supervisory Board Members attending the meeting, by taking a secret ballot.

In order to ensure appropriate organizational support of the Supervisory Board operations, the Board may appoint its Secretary from among Supervisory Board Members or persons employed in any form of employment by the Company.

Meetings of the Supervisory Board shall be held at least once per 3 months. A meeting shall be convened by the Chairman or, in case of his absence, by Vice Chairman of the Supervisory Board. Whereas, in the event Vice Chairman is absent a meeting shall be convened by another Member of the Supervisory Board duly authorized in writing by Vice Chairman.

Chairman of the Supervisory Board is obliged to convene a meeting of the Supervisory Board within 2 weeks of receiving a written motion filed by the Management Board or a Member of the Supervisory Board. Along with such motion the petitioners shall enclose a proposed agenda for the meeting.

If, in the event referred to above, Chairman of the Supervisory Board does not convene a meeting of the Supervisory Board, the petitioners may call such meeting on their own and shall notify about the date, place and proposed agenda for the meeting.

The meeting agenda shall also include the issues proposed by Members of the Supervisory Board, provided a motion for doing so is filed at least 14 days before the meeting date or at the previous meeting of the Supervisory Board.

If all Members of the Supervisory Board are present at the meeting, any Member of the Supervisory Board or Member of the Management Board attending the meeting may request the meeting agenda to be supplemented with new issues that were not included in the agenda distributed before the meeting. Such a motion may be also submitted in spite of absence of some Members of the Supervisory Board, but then only and solely concerning actions that must be taken by the Supervisory Board in order to protect the Company against suffering a loss, or in the event it is necessary to pass a resolution on

determining whether there is any conflict of interest between a Member of the Supervisory Board and the Company. The motion shall be put to a vote and adopted/rejected by a simple majority of votes.

A written notification indicating the date, place and agenda for the meeting should be delivered to Members of the Supervisory Board not later than a week before the date of the Supervisory Board meeting. In case of emergency, the Chairman may order delivery of a notification about the meeting to the Supervisory Board Members within a deadline shorter than one week. The notification shall be delivered by fax, electronic mail or by other means, provided they produce a confirmation of delivery of the invitation by a Member of the Supervisory Board. Such notification shall indicate the date, place, and the proposed agenda for the Supervisory Board meeting.

A Member of the Supervisory Board that is unable to participate in a meeting should inform the Supervisory Board Chairman accordingly and specify the reason for his/her absence.

Meetings of the Supervisory Board shall be held at the Company's registered seat, in Warsaw or in another place as may be indicated the notification.

Meetings of the Supervisory Board, save for issues which directly concern the Management Board or its Members, and, in particular, dismissal or holding such persons accountable, or determining their remuneration, should be open to Members of the Management Board.

Chairman of the Supervisory Board, on his own initiative or to a request of a Member of the Supervisory Board, may also invite other persons to attend a meeting of the Supervisory Board, depending on the subject matters under consideration.

A meeting of the Supervisory Board should managed and led by Chairman of the Supervisory Board, or in case of his absence by Vice Chairman of the Supervisory Board, or in case of the Vice Chairman's absence by another Member of the Supervisory Board designated in writing by the Chairman.

A meeting of the Supervisory Board shall be deemed valid provided it is participated by at least half of the Supervisory Board Members and that each of its Members has been properly notified about the date and place of the meeting.

Resolutions of the Supervisory Board shall be adopted by a simple majority of votes unless the provisions of law of the Company's Articles of Association impose stricter conditions for adoption of such resolutions.

Meetings of the Supervisory Board may be participated through the means of direct telecommunication. Resolutions passed in this manner shall be effective provided all Members of the Supervisory Board have been notified of the text of draft resolutions.

A record of voting with the use of direct telecommunication means, containing information on the subject of voting, Members of the Supervisory Board participating in the vote, voting procedure applied, and detailed voting results shall be drawn up.

Furthermore, a separate document confirming the contents of the adopted resolution, indicating the voting procedure applied and the date of its adoption shall be drawn up; such document shall be immediately signed by all Members of the Supervisory Board participating in the vote and subsequently attached to the record described above.

Members of the Supervisory Board may participate in adopting resolutions by casting their votes in writing through another Member of the Supervisory Board.

Votes in writing cannot be cast on the issues introduced into the meeting agenda during a meeting of the Supervisory Board. The minutes of the Supervisory Board meeting should contain a clear description of any votes cast in writing, including the name of the Supervisory Board Member who has cast such vote and the name of the Supervisory Board Member through whom such vote has been communicated.

In case the numbers of votes "For" and "Against" are equal, the vote of Chairman of the Supervisory Board shall prevail, or in case of his absence – the vote of Vice Chairman, or in case of the Vice Chairman's absence – the vote of the person acting as the meeting chairman.

Voting of the Supervisory Board shall be open. A secret ballot shall be administered by Chairman of the Supervisory Board in the following cases:

- 1/ suspending the President or a Member of the Management Board from their duties;
- 2/ appointment or dismissal of Chairman or Vice Chairman of the Supervisory Board;
- 3/ in other matters, upon request of even one of the Supervisory Board Members taking part in voting.

Effective resolutions of the Supervisory Board may be adopted on condition that at least half of the Supervisory Board Members are present at the meeting and that all of its Members have been notified about the meeting date and place.

Resolutions of the Supervisory Board shall come into effect from the day when passed unless otherwise stated in a given resolution.

Minutes shall be taken from meetings of the Supervisory Board.

The meeting minutes shall be taken by Secretary of the Supervisory Board or by a Member of the Supervisory Board or other person designated by Chairman of the Supervisory Board or the meeting chairman.

The meeting minutes shall include: agenda for the meeting, names and surnames of the Supervisory Board Members and invited persons attending the meeting (in the form of a list of attendance enclosed with the minutes), texts of the adopted resolutions (unless provided as enclosure to the minutes), results of voting on the resolutions, and dissenting opinions voiced.

The meeting minutes shall be drawn up during the Supervisory Board meeting they concern. Exceptionally, for technical reasons, the minutes may be drawn up after the meeting is closed. In order to be approved, the minutes need to be signed. The meeting minutes shall be signed by the meeting chairman and all Members of the Supervisory Board participating in the meeting covered by such minutes, as well as by Secretary of the Supervisory Board, if it is appointed. Any refusal to sign the minutes should be duly justified and included into the record. In the event no justification is given for the refusal of signature, the meeting chairman shall include an appropriate explanation in the minutes.

Resolutions that are not included in the text of the minutes, but provided as enclosure to the minutes, shall be signed by the meeting chairman and all Members of the Supervisory Board participating in the meeting when these resolutions were adopted.

The original resolutions and minutes of the Supervisory Board meetings, along with any materials subject to discussion recorded in the minutes, shall be retained by Secretary of the Supervisory Board at the Management Office.



*Appointment of the current Members of the Supervisory Board for another common term of office.*

On 14 May 2012 acting pursuant to § 13 sec. 3 item 1) of the Company's Articles of Association, Asseco Poland S.A. appointed to the structure of the Supervisory Board and thus to performing the function of the Supervisory Board Members for a common five-year term of office from 11 July 2012 to 11 July 2017 the following persons: Adam Góral, Jacek Duch, Przemysław Sęczkowski and Gabriela Żukowicz.

On 24 May 2012 acting pursuant to § 13 sec. 3 item 3) of the Company's Articles of Association, the Extraordinary General Meeting of Shareholders appointed to the structure of the Supervisory Board and thus to performing the function of the Supervisory Board Members for a common five-year term of office from 11 July 2012 to 11 July 2017 the following persons: Andrzej Mauberg and Mihail Petreski.

On 10 July 2012 acting pursuant to § 13 sec. 3 item 3) of the Company's Articles of Association, European Bank for Reconstruction and Development appointed Jan Dauman as a Member of the Supervisory Board.

At the meeting held on 8 August 2012 the Supervisory Board elected from among its members Adam Góral for a chairmen and Mihail Petreski for a deputy chairmen of the Supervisory Board.

On 31 December 2012 and as at publication of this report, the Company's Supervisory Board was composed of the following persons:

Adam Góral	Chairman of the Supervisory Board
Mihail Petreski	Vice Chairman/Member of the Supervisory Board
Przemysław Sęczkowski	Member of the Supervisory Board
Gabriela Żukowicz	Member of the Supervisory Board
Jacek Duch	Member of the Supervisory Board
Andrzej Mauberg	Member of the Supervisory Board
Jan Dauman	Member of the Supervisory Board

### **Audit Committee**

On 17 May 2010, the Supervisory Board of Asseco South Eastern Europe SA, in order to fulfil the obligation under art. 86 sect. 3 and 7 of the Law of 7 May 2009 on certified auditors, their self-government, entities authorized to audit financial statements and on public supervision established an Audit Committee from among its members.

Andrzej Mauberg – Chairman of the Audit Committee  
Przemysław Sęczkowski – Member of the Audit Committee  
Gabriela Żukowicz – Member of the Audit Committee.

On 8 August 2012, the Supervisory Board of the Company of the new term of office established an Audit Committee from among its members: Andrzej Mauberg, Jacek Duch and Gabriela Żukowicz.