Contents:	Page
1. INTRODUCTION- OBJECTIVES AND BASIC PRINCIPLES	4
2. DISCLOSURE	4
2.1. PRICE SENSITIVE INFORMATION	4
2.2. FINANCIAL STATEMENTS	4
2.3. ANNUAL, SEMI-ANNUAL AND QUARTERLY REPORTS	
2.4. CALENDAR OF IMPORTANT EVENTS	5
2.5. OWNERSHIP STRUCTURE	5
2.5.1. List of shareholders	5
2.5.2. Cross-shareholding	5
2.5.3. Shares held by Management and Supervisory Board members	5
2.6. RISK FACTORS	5 5 5 5 6 6 6 6 6
2.7. PUBLIC STATEMENTS	6
2.8. INSIDER INFORMATION	6
3. BODIES OF THE COMPANY	6
3.1. SHAREHOLDER ASSEMBLY	6
3.1.1. Equal treatment of shareholders	6
3.1.1.1. "One share - one vote" principle	6
3.1.1.2. Restriction of voting rights	7
3.1.1.3. Election or appointment of Supervisory Board members	7
3.1.1.4. Different types of shareholders	7
3.1.1.5. Data dissemination	7
3.1.1.6. Capital changes, disposal and acquisition of own shares and pre-emptive rights	7
3.1.1.7. Proxies	
3.1.2. Convocation	7 7
3.1.3. Registration dates	8
3.1.3.1. Right of participation at the Annual General Meeting	8
3.1.3.2. Ex-dividend date	8
3.1.4. Agenda	3
3.1.5. Conditions of participation	8
3.1.6. Key decisions	8 8 8 8
3.1.7. Reports to be presented to the shareholder assembly	3
3.1.7.1. Reports presented by the Supervisory Board	
3.1.7.2. Report on the state of the company	ç
3.1.8. Use of modern communication technology	ç
3.1.9. Notifications	ç
3.2. SUPERVISORY BOARD	ç
3.2.1. Duties and responsibilities	9
3.2.2. Composition	
3.2.3. Relations with the Management Board	10
3.2.4. Time required to discharge board duties 3.2.5. Remunerations	11
3.2.6. Reporting to shareholders	11
a.c.v. ngayi allu lu sharghulugis	

Contents:	Page:
3.2.7. Conflict of interest	11
3.2.7.1. Transactions among related parties	12
3.2.8. Competition ban	12
3.2.9. Contracts between Supervisory Board members and the company	12
3.2.10. Disclosure	12
3.2.11. Committees	12
3.2.11.1. Appointments committee	12
3.2.11.2. Remunerations committee	13
3.2.11.3. Audit committee	13
3.2.12. Rules of procedure for Management and Supervisory Board meeting	ıs 14
3.2.13. Serving on Supervisory Boards of other companies	15
3.2.14. Education of Management and Supervisory Board members	16
3.2.15. Performance evaluation	16
3.3. MANAGEMENT BOARD	16
3.3.1. Duties and responsibilities	16
3.3.2. Composition	16
3.3.3. Remuneration	17
3.3.3.1. Structure	18
3.3.3.2. Determination methods	18
3.3.3.3. Disclosure	19
3.3.4. Responsibility	19
3.3.5. Reporting to shareholder	20
3.3.6. Conflict of interest	20
3.3.6.1. Transactions between the company and Management Board members	
3.3.6.2. Competition ban	20
3.3.6.3. Serving on Supervisory Boards of other companies	20
3.3.7. Additional responsibilities when the company is part of a concern	20
3.4. COOPERATION AND RELATIONS BETWEEN THE SUPERVISORY AND	04
THE MANAGEMENT BOARD	21
4. AUDIT AND INTERNAL CONTROL MECHANISMS	21
4.1. INDEPENDENT EXTERNAL AUDITOR	21
4.2. INTERNAL AUDITORS	22
4.2. INTERINAL AUDITORIO	22
5. INVESTOR RELATIONS	22
5.1. STRATEGY	22
5.2. USE OF THE INTERNET	23
6. STAKEHOLDERS	23
7. DISCLOSURE ON COMPLIANCE WITH CODE PROVISIONS	23
ANNUAL QUESTIONNAIRE	24

1. INTRODUCTION - OBJECTIVES AND BASIC PRINCIPLES

The objective of this Code is to establish high standards of corporate governance and business transparency in the operations of joint stock companies for the purpose of enabling easier access to capital at a lower cost, considering that clearly defined procedures of corporate governance based on recognizable international standards are among the basic criteria for investment decision making.

The objective of this Code is to protect, primarily, all the investors but also other stakeholders by means of sound, responsible governance and supervision of business operations and management functions of joint stock companies.

The basic principles of this Code are:

- transparency of business operations;
- clearly defined procedures in the work of the Supervisory Board, Management Board and other bodies and structures responsible for taking important decisions:
- avoidance of the conflict of interest;
- efficient internal control:
- efficient division of responsibilities.

Any interpretation of the provisions of this Code has to be guided primarily by adherence to the principles set out above so as to achieve the stated objectives.

2. DISCLOSURE

2.1. PRICE SENSITIVE INFORMATION

Apart from the information that the company is obliged to disclose in compliance with the law and other regulations, the company shall also publicly disclose and in such a manner make available to all interested parties within the shortest possible time any vital information on the operations and activities of the company, as well as any facts and circumstances that might have an impact on the company's share price (price sensitive information).

The basic media for public disclosure of information is the Company's website on Internet.

Price sensitive information shall be deemed to include in particular the information defined as such in the Securities Market Act and the rules of the stock exchange on which the company's securities have been listed.

Upon disclosing price sensitive information to the public the company shall take account primarily of the content of such information rather than the form in which it is presented.

Any price sensitive information that has not been disclosed to the public is deemed to be confidential and shall be safeguarded as such.

2.2. FINANCIAL STATEMENTS

The Company is obliged to prepare its financial statements in compliance with the International Financial Reporting Standards (IFRS), taking into account any current financial reporting trends and also market requirements.

The company shall also present its financial statements on its website.

2.3. ANNUAL, SEMI-ANNUAL AND QUARTERLY REPORTS

Annual, semi-annual and quarterly reports are the most important and most complete source of information on the company, and should therefore not be restricted to including only the minimum information required in compliance with legal provisions and standards of financial reporting. Instead, it should also include a comprehensible analysis and the position of the Management Board on business operations in the past period, as well as an explanation by the Management Board of any significant discrepancies between planned results and achieved strategic objectives.

The annual report shall be published in the English language as well, while annual, semiannual and quarterly reports should be made available to shareholders for inspection on a daily basis at the headquarters of the Company and also on the company's website.

2.4. CALENDAR OF IMPORTANT EVENTS

By the end of the current business year, the company has to publish on its website a calendar of important events expected to take place in the next business year, such as the foreseen date on which it will announce its financial results, date of the company's annual general meeting, dividend payment date and similar.

The company has to announce each change in the calendar of important events in the same manner at least 30 days in advance, and if that is not possible, immediately upon occurrence of the circumstances causing such a change.

2.5. OWNERSHIP STRUCTURE

2.5.1. List of shareholders

The company has to disclose a complete list of shareholders to the public, with the number and class of shares held by them, as well as a list of holders of any other securities issued by the company.

The company has to disclose and update the list of shareholders at least twice a month.

2.5.2. Cross-shareholding

The company is obliged to disclose any information on cross-shareholding to the public. Cross-shareholding will be deemed to exist between two joint stock companies which are related in such a manner that each holds more than 5% of shares in the other company.

2.5.3. Shares held by Management and Supervisory Board members

The company shall disclose in its annual report any information on the shares and other securities of the company held by each member of the Management Board or the Supervisory Board.

Apart from presenting this information in the annual report, the company shall disclose to the public on its website or through the stock exchange any change in the number of the company's securities held by a single member of the Management Board or the Supervisory Board within 48 hours of learning about such a change.

2.6. RISK FACTORS

The company's Management Board shall establish in a timely manner and disclose to the public any information on the risks to which the company has been exposed, such as for instance political risks, economic risks, operational risks etc. as well as its assessment of the probability that a potential risk might occur.

2.7. PUBLIC STATEMENTS

The company is obliged to make a clear and unambiguous statement on any information with regard to the company, its financial position, operating results, ownership structure and management that might be deemed to be price sensitive.

In doing so, the company shall use the expressions and phrasing understandable to its target group, while enabling equal and timely access to all interested parties.

Any information that might influence decision making with respect to the investment in the company's securities has to be released immediately and simultaneously to all the parties that might have an interest in it, including both positive and negative information to the equal extent, so as to enable any recipient of such information to gain complete understanding and make a correct assessment of the company's situation.

2.8. INSIDER INFORMATION

The use of insider information (price sensitive information that is not disclosed to the public) shall be absolutely forbidden to anyone to whom such information is available, in view of the fact that it might lead to an unfair advantage of the person with access to insider information (insider) in trading the company's securities regardless of whether the insider himself or a third party uses the information received from the insider.

The provision banning the use of insider information is binding on all shareholders, members of the Management Board, members of the Supervisory Board as well as external advisers of the company and others who, in view of their position within or outside the company, are deemed to be persons to whom insider information is available.

The company shall establish:

- mechanisms ensuring that the persons with access to insider information are provided with a clarification of the nature and importance of such information as well as any restrictions with regard to the use thereof,
- supervision of the flow of insider information and its possible misuse.

3. BODIES OF THE COMPANY

3.1. SHAREHOLDER ASSEMBLY

3.1.1. Equal treatment of shareholders

3.1.1.1. "One share - one vote" principle

The voting right has to extend to all shareholders of the company in such a manner that the number of votes they may cast at the Annual General Meeting equals the number of shares they hold, regardless of the class of shares.

3.1.1.2. Restriction of voting rights

If the company issues non-voting shares, i.e. shares with restrictions of voting rights, it is obliged to disclose to the public in a timely manner any information that is relevant to the content of all rights resulting from such shares so as enable investors to take the right decision with respect to the purchase of such securities.

3.1.1.3. Election and appointment of Supervisory Board members

Members of the Supervisory Board shall meet appropriate standards with regard to the

education and professional experience, they need to possess high moral standards and be in a position to invest the time necessary to exercise the role of a Supervisory Board member. Any candidature for members of the Supervisory Board being elected at the Annual General Meeting, documented by sufficient information (e.g. CV) enabling the right decision on their election, has to be publicly announced on the company's website at the latest by the date on which a notice calling the Annual General Meeting at which they are to be elected is posted.

The same obligation to publish such information shall also be binding when appointing Supervisory Board members who are not elected at the company's Annual General Meeting.

3.1.1.4. Different types of shareholders

The company shall treat all shareholders in the same manner and under the same conditions, regardless of the number of shares they hold, the country of their origin and other characteristics. This refers in particular to the obligation of equal treatment of individual and institutional investors.

3.1.1.5. Data dissemination

The management shall provide a good quality dissemination of data (using modern information technology, especially the Internet in doing so) to shareholders, enabling shareholders to exercise their rights with a complete and timely knowledge of any facts that might be relevant to them in taking the right decision with respect to any issue on the agenda of the Annual General Meeting.

3.1.1.6. Capital changes, disposal and acquisition of own shares and pre-emptive rights

The company is obliged to enable all shareholders to participate in the company's capital increase, in proportion to the shares they already hold in it, in the form of transferable securities containing pre-emptive rights so as to protect the interests of any shareholders who may not be able to register and buy new shares at the time of their issuance.

The intention to issue new shares has to be announced at least 10 days prior to the day set as the date for establishing shareholder status in the register that will be relevant for determining which shareholders are entitled to pre-emptive rights when acquiring newly issued shares set out above.

When acquiring or disposing of its own shares (treasury stock), the company shall do so in the open market in a manner that does not favour individual shareholders or investors, or groups of shareholders or investors.

3.1.1.7. Proxies

The company is obliged to make voting by shareholders easier through their proxies. To that extent, giving a power of attorney should be simplified to the maximum and free of strict formal requirements.

To any shareholders who for whatever reason are not in a position to cast a vote themselves, the company will, at no extra cost to these shareholders, provide proxies who are obliged to vote in compliance with their instructions.

3.1.2. Convocation

The Management Board of the company is obliged to convene one Annual General Meeting in the course of each business year.

An extraordinary meeting may be convened each time it is required in the interest of the company.

The company shall call the Annual General Meeting upon request of the shareholders who

together hold shares equal to 5% of the company's equity, and who state the purpose and reason for convening such a meeting.

3.1.3. Registration dates

3.1.3.1. Right of participation at the Annual General Meeting

When convening the Annual General Meeting, the Management Board of the company shall set the date by which shareholders need to register their status in order to exercise their voting rights at the company's Annual General Meeting.

That date shall precede the Annual General Meeting and shall be set up to 7 days prior to it at the most.

3.1.3.2. Dividend date

Each decision on dividend payment or advance dividend payment has to include the date on which a person who holds shares gains the right to a payment of dividend as well as the date or period during which the dividend or advance dividend is to be paid.

The date on which the shareholder acquires the right to dividend payment shall be no less than 10 days following the date on which a decision on dividend payment is taken.

The date of dividend payment shall follow the date of decision making by no less than 12 and no more than 30 days. The period of dividend payment shall not exceed 10 days.

When paying dividend it is not been permitted to favour individual shareholders.

A decision on dividend payment establishing the respective dates set out above has to be announced and submitted to the stock exchange within no more than 2 days of its passing.

3.1.4. Agenda

The agenda as well as all relevant data and documents with explanations relating to the agenda have to be announced on the company's website and made available to shareholders at the company's premises on the same day as that when the agenda is first announced in order to enable shareholders to take their position with regard to the issues on the agenda on time.

The company shall also post on its website the English version of the agenda as well as relevant data and documents.

3.1.5. Conditions of participation

The company must encourage participation of shareholders at the Annual General Meeting. Therefore, it shall set no conditions for shareholder participation or use of voting rights (regardless of whether the same is permitted in compliance with the law or the Articles of Association) such as, for example, advance registration of participation, certification of the power of attorney or similar.

3.1.6. Key decisions

Any decisions that have a significant influence on the status of assets, financial position, operating results, ownership structure and management of the company shall be taken solely at the Annual General Meeting of the company by a stipulated majority of votes.

3.1.7. Reports to be presented to the shareholder assembly

3.1.7.1. Reports presented by the Supervisory Board

The Supervisory Board is to present to the shareholder assembly at the Annual General Meeting a report in which, apart from the contents defined by law, it shall evaluate the overall efficiency of the company's operations and performance of the company's management, and make a separate reference to its cooperation with the Management Board.

Also, the Supervisory Board shall report to shareholders any instances of the conflict of interest by its members and members of the Management Board, while also presenting the measures that have been taken with regard thereto.

3.1.7.2. Report on the state of the company

A report on the state of the company shall be prepared in a clear and intelligible style; it shall include all the aspects of business operations in the course of the year in comparison with previous years by making an accurate, complete and fair statement of the company's assets and expenditures, its financial position and also outlining a future business plan.

3.1.8. Use of modern communication technology

Shareholder participation and especially voting at the Annual General Meeting should be enabled by the use of modern communication technology.

3.1.9. Notifications

The Management Board of the company shall, at its earliest convenience, communicate decisions taken by the shareholder assembly at the Annual General Meeting and also any information on possible action to challenge these decisions.

3.2. SUPERVISORY BOARD

3.2.1. Duties and responsibilities

The main duties of the Supervisory Board include appointing and recalling the management board, supervising the management board in governing the company's business and reporting on any supervision activities it may have performed.

The mandate of Supervisory Board members is not compulsory, i.e. each member is to serve on the board completely autonomously and at one's own responsibility, regardless of who may have nominated or appointed him/her.

Supervisory Board members should discharge their duties with diligence of fair and conscientious professionals and keep the company's business secrets.

The Supervisory Board should pass a decision on the master plan of its activities which should include a list of regular meetings and information to be made available to Supervisory Board members.

The Supervisory Board should pass its internal code of conduct, taking into account that it should not put restrictions on any member's latitude for independent action. No supervisory board document shall prevent or restrict any member in acting in accordance with law, while each member should refrain from misusing these powers and make every effort to coordinate the activities with other members of the Supervisory Board.

3.2.2. Composition

The Supervisory Board of the company should include mainly independent members who are not in business, family or other relations with the company, its majority shareholder or group of majority shareholders, or with members of the Management Board or Supervisory Board of the company or of the majority shareholder.

A Supervisory Board member will be deemed to be independent if he or she:

- is not related to the company in any way, with the possible exception of holding a certain minor number of shares in the company; is not a majority shareholder and does not represent the majority shareholder or a group of majority shareholders, and is not a member of a group of majority shareholders, or a spouse, bloodline relative or in-law up to the second degree of any person from the aforementioned groups, or has any connection with the companies related to the majority shareholder;
- is not a current or former member of the Management Board of the company or any of its subsidiaries or related companies for at least five years;
- is not a current or former employee of the company or any of its subsidiaries or related companies for at least three years;
- does not currently receive and has not received other significant payment from the company except the remuneration for activities on the Supervisory Board, excluding a possible dividend (this particularly refers to participation in bonus schemes and other types of remuneration that depend on the company's business results such as share options, but not to any income resulting from a pension scheme entered into while in previous service for the company);
- does not currently have and has not for least one year had a significant business relationship with the company or with its related companies, directly or indirectly as a partner, shareholder, member of the Management Board or the Supervisory Board or of the top management of an organisation that has a significant business relationship with the company such as important indirect or direct suppliers and/or buyers of goods and/or services of the company (including also financial, legal, advisory and consulting services) and organisations that get significant receipts from the company or its related companies,
- is not currently nor has in the last three years been a partner or an employee of an audit company which provides or has provided audit services to the company or its related companies;
- is not a member of the Management Board of another company in which some members of the company's Management Board serve as members of the Supervisory Board, nor has significant relations with members of the company's Management Board through participation in other organisations, bodies or companies,
- has not been a member of the Supervisory Board for more than 12 years
- is not a spouse or s bloodline relative or an in-law up to the second degree to any members of the Management Board or physical persons holding the positions stated in the above items.

Any Supervisory Board member who should come under pressure from or be constrained and influenced in discharging his/her duties by the majority shareholder shall report it to the Supervisory Board and, nevertheless, take a neutral stand during the voting or resign, depending on the circumstances.

Any independent Supervisory Board member discharging this duty for more than two terms should make a written statement confirming such independent status.

3.2.3. Relations with the Management Board

The Supervisory Board and the Management Board shall co-operate in the best interest of the company, and discuss together the strategic guidelines of the company's business.

To that end, members of the Management Board are also to attend Supervisory Board meetings, except when the issues discussed by the Supervisory Board concern directly the Management Board or any of the Management Board members; this is particularly so

when discussions involve dismissal, responsibility or remuneration of Management Board members.

The Supervisory Board shall ensure that a long-term succession plan is in place, enabling a careful and timely appointment of successors to any individual member of the company's senior management. This process should also involve senior members of the management.

3.2.4. Time required to discharge board duties

Any member of the Supervisory Board should be able to dedicate all the time necessary for discharging board duties correctly and to a high quality standard.

3.2.5. Remunerations

Members of the Supervisory Board should be paid according to their contribution to the company's efficiency. Their remuneration is to be defined by shareholders at the general meeting on the recommendation of the Management Board or a remunerations committee, if such a body exists, or else it needs to be stipulated in the company's Articles of Association.

The remuneration to members of the Supervisory Board should:

- reflect adequately the time, effort and experience related to their position on the Supervisory Board and any Committees;
- provide sufficient stimulation to balance the interests of Supervisory Board members with shareholder interests;
- be set in such a manner as not to undermine the ability of Supervisory Board members for decision-making in the best interests of the company and its shareholders.

It is recommended to set the remuneration of Supervisory Board members according to the same time schedule applicable to members of the Management Board, including any bonuses and benefits commensurate with the actual time spent on discharging their duties.

The remuneration to Supervisory Board members should include the following:

- a fixed part which is unchangeable and does not depend on operating results, except if the operating results of the company are such that the payment of the fixed remuneration would be unfair and grossly disproportionate with operating results;
- a variable part depending on operating results in a certain past or future period;

Detailed information on any remuneration and other income paid by the company or its related parties to any individual Supervisory Board member, including the structure of such remuneration, shall be publicly disclosed. A statement of the policy of remuneration to Supervisory Board members and the actual remuneration received by each member of the Supervisory Board will be prepared in the manner described in the part of this Code relating to the Management Board of the company.

3.2.6. Reporting to shareholders

Each member of the Supervisory Board is obliged to inform the company on any changes with regard to the holdings of shares in the company no later than the next business day after such a change occurs, whereas the company is obliged to inform the public of such a change promptly.

3.2.7. Conflict of interest

Any supervisory board member who is not neutral with respect to a matter that is being

decided, or whose connection to other companies, persons or businesses may presuppose certain interests other than those of the company, and who may therefore influence the decision-making process on the basis of such interests or inclinations that do not necessarily correspond to the company's interests, will be deemed to be in a position of having a conflict of interest.

Members of the Supervisory Board shall not take decisions on the basis of personal interests or the interests of the persons to whom they are closely related.

3.2.7.1. Transactions among related parties

Any transactions involving members of the Supervisory Board take part or the persons related to them and the company or the persons related to it shall be based on market principles, in particular with respect to the term, interest, guaranties, etc. and shall be stated clearly in the company's reports. Such transactions should be confirmed by neutral assessment of qualified experts who are independent of any participants of such a transaction.

3.2.8. Competition ban

Members of the Supervisory Board shall not conduct any business related to the company activities for their own account or for the account of other persons or parties, either personally or through third parties, or provide advice to any parties that may be deemed to be in competition with the company.

Members of the Supervisory Board shall disclose the size of their shareholding and any changes with respect to their shareholding in the companies that may be deemed to be in competition with the company.

3.2.9. Contracts between members of the Supervisory Board and the company

Any contracts or agreements between members of the Supervisory Board and the company shall be subject to prior approval by the Supervisory Board, and any material elements of such contracts or agreements shall be contained in the annual report.

3.2.10. Disclosure

If any member of the Supervisory Board should find himself/herself or any other member to be a conflict of interest with respect to decision-making on a certain matter, such a member shall disclose it immediately to the Supervisory Board.

3.2.11. Committees

The committees of the Supervisory Board shall have at least three members. Exceptionally in case of companies that have a small Supervisory Board (with fewer than seven members), the committees may consist of only two members. The Supervisory Board is obliged to stipulate in detail the mandate and powers of the committees it has established.

The persons who are not the members of the committees participate at the committee meetings at the committee's invitation only. The committee may invite some experts or employees of the company to attend its meetings or request their presence there. The committees have to inform the Supervisory Board regularly of their work and results. Once a year the company has to prepare and publicly disclose a report on work, composition, number of meetings and attendance at the meetings of the Supervisory Board committees. The chairman of each committee must have the possibility of direct communication with the shareholders. The situations in which such communication is necessary should be stated in the act by which the Supervisory Board stipulates the mandate and powers of the committee.

The Supervisory Board shall establish the following committees:

- Appointments Committee
- Remunerations Committee
- Audit Committee

In case of smaller companies with a smaller number of Supervisory Board members, it may be justified that the functions related to appointment and remuneration are executed by one and the same committee (Appointments and Remunerations Committee).

3.2.11.1. Appointments Committee

The majority of members of the Appointments Committee should be appointed from among independent members of the Supervisory Board. The Appointments Committee shall:

- find and recommend to the Supervisory Board the candidates who may fill the empty posts within the Management Board and the Supervisory Board, where their expertise, skills and experience have to be assessed, a list of requirements and activities related to each appointment prepared and the time for their performance estimated,
- no less than once a year evaluate the composition, size, membership and quality of work of the Supervisory Board and the Management Board and prepare the appropriate recommendations to the Supervisory Board,
- no less than once a year prepare an assessment of the expertise, skills and experience of individual members of the Supervisory Board, and report it to the Supervisory Board,
- analyse problems related to the continuity planning of the Supervisory Board and the Management Board,
- analyse the Management Board policy of recruitment of senior management.

The Appointments Committee shall analyze the proposals of the Management Board and shareholders and take advice from the Chairman of the Management Board, who may submit proposals to the Appointments Committee, especially with regard to the issues related to members of the Management Board and senior management.

3.2.11.2. Remunerations Committee

The majority members of the Remuneration Committee should be appointed from among independent members of the Supervisory Board.

The Remunerations Committee shall:

- propose to the Supervisory Board the policy of remuneration of the Management Board that has to refer to all types of remuneration, especially to the fixed part of the remuneration, the variable part of the remuneration connected to business efficiency, pension scheme and severance pay. With respect to the variable part of remuneration related to the business efficiency, the proposal has to include recommendations on the establishment of the objective criteria of efficiency evaluation whereby the remuneration to the Management Board shall be adjusted to the long-term interests of shareholders and the objectives of the company set out by the Supervisory Board,
- propose to the Supervisory Board the remuneration of individual members of the Management Board, in compliance with the company's remuneration policy and an assessment of the activities of individual directors,
- propose to the Supervisory Board the appropriate form and content of the contract with members of the Management Board,
- monitor the amount and structure of remuneration paid to senior management and give

general recommendations to the Management Board with regard to that,

- with regard to the variable part of remuneration (incentive) paid to the Management Board, in case it consists of stock options or other arrangements based on the acquisition of shares, analyse the general policy of such a type of remuneration and propose appropriate solutions to the Supervisory Board while also analysing any information on that to be included in the annual report, prior to its publication,
- consult with the Chairman of the Supervisory Board and the Chairman of the Management Board on their understanding of the remuneration of members of the Management Board.

The Supervisory Board is to establish a remuneration committee, which proposes the content of contracts the company concludes with members of the Management Board as well as their remuneration and the remuneration of members of the Supervisory Board.

3.2.11.3. Audit Committee

The Supervisory Board shall establish the Audit Committee for the purpose of detailed analysis of financial statements, providing support to the company's accounting establishing sound and high-quality internal controls within the company.

The majority of Audit Committee members should be independent members of the Supervisory Board.

With regard to the policies and rules of procedure adopted by company, the Audit Committee should:

- monitor the integrity of financial reporting within the company, and especially the correctness and consistency of the accounting methods used by the company and the group to which it belongs, including the consolidation criteria of financial reports of the companies belonging to the group;
- at least once a year assess the quality of the internal control and risk management system so as to identify and disclose in the appropriate manner the main risks to which the company has been exposed (including any risks related to compliance with regulations), as also to manage them in the appropriate manner;
- ensure the efficacy of the internal audit system, especially by preparing guidelines for the recruitment, appointment, re-appointment and dismissal of the head of internal audit department, resources at his/her disposal and the evaluation of the steps taken by the Management Board upon findings and recommendations of the internal audit (if there is no internal audit within the company, the Committee shall assess the need to establish such a function once a year).

With regard to the external auditor the Audit committee shall:

- issue recommendations to the Supervisory Board with respect to the selection, appointment, reappointment and change of the external auditor and to the terms and conditions of the engagement,
- supervise the independence and objectivity of the external auditor, especially with regard to a rotation of authorised auditors within the audit company and the remuneration paid by the company for the services of the external auditor,
- monitor the nature and the quantity of services other than auditing that are received by the company from the audit company or persons related to it, where the audit company is, among others, obliged to submit the information on all remunerations paid by the company to the audit company and persons to it,
- prepare the rules on the services that the external audit company and persons related to it may not provide to the company, as well as those that it may provide solely with a

prior consent of the Committee and the services it may provide without prior consent,

- analyse the efficacy of the external audit and action undertaken by the management with regard to the recommendations made by the external auditor,
- examine the circumstances related to the dismissal of the external auditor and make adequate recommendations to the Supervisory Board.

The mandate of Audit Committee members may be limited to 4 years in continuity and /or by restricting the number of committees to which a member may be elected in other companies.

The Audit Committee should maintain an open and unlimited communication with the Management Board and the Supervisory Board, and is responsible for its work to the Supervisory Board.

The external and internal auditors need to have the possibility of maintaining direct communication with the Audit Committee.

The Management Board is to submit to the Audit Committee timely periodic surveys of financial reports and similar documents ahead of their public disclosure, information on any change in the accounting principles and criteria, accounting procedures acceptable for most activities as well as any major deviation between the book value and actual value of individual items and any correspondence with the internal audit department or independent auditors.

The Management Board is especially obliged to inform the Audit Committee on the methods used for recording significant and unusual transactions and business events in case the book-keeping of such events may be approached in different manners. It is necessary to pay special attention to the existence and justifiability of the company's off-shore activities and any activities pursued through special purpose companies.

The Audit Committee should discuss the following with the independent auditor:

- changes of or adherence to the same accounting principles and criteria;
- compliance with regulations;
- important assessments and conclusions in preparing financial statements;
- risk assessment methods and results;
- high-risk areas of business activities;
- major shortcomings and significant deficiencies of internal controls it has observed;
- effects of external (economic, legal and industrial) factors on financial statements and auditing procedures.

The Audit Committee should, also, regularly evaluate other important aspects of its relations with third parties, such as professional qualification and independence, and whenever necessary, get the second opinion on the activities performed by these persons.

The Audit Committee is to ensure the delivery of quality information by subsidiaries as well as related companies and third parties (such as any advisers) with respect to the impact of such information on consolidated financial statements.

3.2.12. Rules of procedure for Management Board and Supervisory Board meetings

Chairman of the Supervisory Board is obliged to set a calendar of regular annual meetings and extraordinary meetings whenever the need for them appears.

The frequency of Supervisory Board meetings has to be determined in line with the needs of each company. The meetings should be held with sufficient frequency to ensure efficiency

of Supervisory Board activities, but not more than once a month to avoid undesirable involvement in the company's management.

In order to ensure efficiency and success of Supervisory Board meeting, it is necessary to deliver relevant documentation to all members of the Supervisory Board on time.

The minutes of Supervisory Board meetings should be worded clearly, and any decisions passed by it recorded together with the results of the vote, stating the individual votes cast by each board member.

3.2.13. Serving on Supervisory Boards of other companies

Each member of the Supervisory Board is obliged to inform the company on membership in the Supervisory Boards of other companies.

No member of the Supervisory Board shall serve on the Supervisory Board of another company that may be deemed to be in competition with the company.

3.2.14. Education of Management Board and Supervisory Board members

The company should stimulate and enable continuous professional training and education of Management and Supervisory Board members, in line with its needs and possibilities so as to refresh and improve their expertise and professional capabilities.

3.2.15. Performance evaluation

Each year the Supervisory Board shall prepare an evaluation of its performance in the past period. Such an evaluation should include, in particular, an evaluation of the contribution and competence of each member, as well as an evaluation of joint activities of the committees established by the Supervisory Board and an evaluation of achieved results in comparison with targeted objectives of the company.

3.3. MANAGEMENT BOARD

3.3.1. Duties and responsibilities

The Management Board of the company is solely responsible for managing the company's business affairs; it shall do so autonomously and pass any decisions on the basis of its own judgement. The consent of any other bodies of the company does not preclude the responsibility and accountability of the Management Board for governing the company's business with due diligence of fair and conscientious professionals.

In discharging its duties the Management Board shall not be bound by the instructions of any other body of the company, not even by the instructions provided by majority shareholders or the Supervisory Board.

The Management Board shall always act in the sole interests of the company and its shareholders, while also taking into account the interests of the employees and wider community, with a view to increasing the value of the company.

The Management Board shall not assign its authority to manage the company's business affairs to any other body of the company. Pro cura powers given to any person or party will not be considered as an assignment of such authority to manage the company's business.

The activities of the Management Board should be defined by its internal rules of procedure so as to set out clearly any authorisations and duties. The rules should cover the following issues:

- scope of activities and objectives;
- rules of procedure;

- rules for resolving any conflict of interest;
- secretariat of the Management Board;
- meetings, decisions, agenda, minutes and documents;
- co-operation with the Supervisory Board.

If and when necessary, members of the Management Board may seek expert advice (from legal advisers, auditors, tax and human resource experts) in order to obtain counsel on material issues.

3.3.2. Composition

The Management Board of the company should consist of several members, one of whom will be appointed Chairman of the Management Board. Cooperation among members should be regulated by the Articles of Association or internal rules of procedure, approved by the Supervisory Board.

Members of the Management Board should be focused on managing the company's affairs and should, in addition to the conditions imposed by law, meet other criteria and requirements set for position on the Management Board of each individual company and defined by the Articles of Association of the company or decision of the Supervisory Board.

When composing the Management Board, its members should be selected in such a manner that each has different experience, education and character, including in particular the following qualities

- business management experience;
- experience in crisis resolution and management
- risk detection and monitoring experience;
- financial expertise;
- accounting expertise,
- knowledge of the company's core business;
- knowledge of national and international markets,
- ability to link all the interests within the company.

Members of the Management Board should:

- be able to read and understand the company's management reports and financial statements
- have no conflict of interest:
- adjust one's own goals to the company's objectives;
- be familiar with good corporate governance practices;
- possess personal integrity;
- have sufficient time available;
- · be motivated;
- be capable of team work; and
- have strategic vision.

Besides meeting the criteria listed hereinabove, the Chairman of the Management Board shall also have well-developed organisational skills as well as business administration experience, and reputation as an acknowledged and sound professional in a wider business environment.

Each member of the Management Board should report to the Chairman of the Management Board regularly, accurately and promptly or any important developments within their own scope of competence or responsibility that are material to the assessment of the current status and situation, as well as to the development and management of the company.

Members of the Management Board should strive to achieve maximum autonomy with respect to individual shareholders, groups of shareholders or stakeholders and should be aware of the fact that, once appointed, they are accountable to all shareholders of the company.

Any member of the Management Board who should come under pressure from or be constrained and influenced in discharging his/her duties by the majority shareholder or partner shall, nevertheless, take a neutral stand during the voting or resign, depending on the circumstances.

3.3.3. Remuneration

The company shall make a statement of the policy of remuneration of the Management Board and the Supervisory Board as part of the annual report. The statement of the policy of remuneration of the Management Board has to be constantly available on the company's website.

The statement of the policy of remuneration shall include, primarily, the company's policy with regard to the remuneration of the Management Board for the next business year, and if appropriate, the following years, as well as an the overview of the manner in which the policy of remuneration of the Management Board has been applied in the past year. It is especially necessary to point out any significant changes with respect to the remuneration policy of the previous year. The statement of remuneration policy should include the following parts:

- explanation of the relative portions and importance of the fixed and variable components of remuneration.
- sufficient information on the efficiency criteria serving as the basis for entitlement to stock options, acquisition of shares or other form of variable part of remuneration,
- sufficient information on the connection between the amount of remuneration and efficiency,
- basic indicators and reasons for award of annual bonuses or benefits other than cash.
- summary of the contracts with members of the Management Board including any information on the duration of contracts, notice in case of termination and especially severance pay. Any type of remuneration of members of the Management Board and the Supervisory Board that consists of stock options or other entitlements to the acquisition of shares or a remuneration based on the price of the company's shares is subject to a prior approval by the Shareholder Assembly. This approval refers to the remuneration principles and not to the approval of remuneration to single members of the Management Board or the Supervisory Board.

3.3.3.1. Structure

Members of the Management Board should be paid according to their work, where such remuneration will be defined by the Supervisory Board of the Company.

The remuneration to the Management Board's members should:

- reflect adequately the time, effort and experience related to their position;
- provide sufficient stimulation to balance the interests of Management Board members with shareholder interests;
- be determined in such a manner as not to undermine the ability of Management Board members for decision-making in the best interests of the company and its shareholders.

The remuneration to the Management Board members should include as follows:

- a fixed amount, which is unchangeable and does not depend on business results;
- a variable portion, dependent on business results in a certain financial year;

• share options or similar instruments that may serve as long-term stimulation.

Detailed information on any income and remuneration paid by the company to any individual Management Board member shall be published in the company's annual report.

3.3.3.2. Determination methods

The methods applied to determining the size and appropriateness of remuneration should take into account the following elements:

- scope of responsibility of individual members of the Management Board;
- personal efficiency in performing activities;
- size and financial position of the company;
- business environment in which the company operates;
- performance of the company in relation to other companies in the same branch;
- fulfilment of strategic and annual plans;
- remuneration to members of the Management Board of related companies.

3.3.3.3. Disclosure

Any form of remuneration to members of the Management Board and the Supervisory Board, including options and other benefits, shall be publicly disclosed by individual type of remuneration and person receiving it in the annual report of the company.

A statement of remunerations to members of the Management Board must include the following elements on each member of the Management Board who held this post in year to which the statement refers:

- total amount of the salary, regardless of whether it has been paid out yet or not,
- remuneration or benefits received from related companies,
- remuneration in the form of participation in the profit or bonuses and the reasons why they were paid out,
- any other additional remuneration paid out to members of the Management Board for the activities they performed for the company outside the usual scope of duties of Management Board members;
- compensation paid out or to be paid to former members of the Management Board in relation to a termination of duty in the course of the year to which the statement refers;
- total estimated value of non-cash benefits deemed to represent remuneration that have not been set out in the items above,
- with regard to the remuneration in the form of shares, options or other forms of remuneration based on the acquisition of shares, it is necessary to present also the following:
 - number of share options approved by the company in the year to which the statement refers and the terms and conditions for their use;
 - the number of options exercised in the year to which the statement relates, and for each of them, the number of shares and the price at which it was exercised or the value of shares included in distribution to the members of the Management board at the year end;
 - the number of options not exercised at the end of the year, the price at which they can be exercised, the exercise date and the main terms pertaining to the exercise;

- each change that occurred within the company with respect a change of terms for the exercise of the existing options in the year to which the statement refers;
- any loans (including the balance of outstanding debt and the interest rate), advance payment or a guarantee issued in favour of members of the Management Board by the company's related companies included in the consolidated financial statement.

3.3.4. Responsibility and accountability

The Management Board is accountable for the implementation and efficacy of the decisions passed by it.

Members of the Management Board assume joint and several responsibility and liability for any damage that may arise from the contravention of their duties, except when they can prove to have performed their duties fairly and conscientiously.

3.3.5. Reporting to shareholders

Each member of the Management Board shall report any change with respect to the ownership of company shares to the Supervisory Board no later than the next workday after such a change occurs. The company shall disclose such a change promptly to the public.

3.3.6. Conflict of interest

Any Management Board member who is not neutral with respect to a matter that is being decided and may therefore influence the decision-making process on the basis of such interests that clash with the company's interests, will be deemed to be in a position of having a conflict of interest.

Management Board members shall not take decisions on the basis of personal interests or the interests of the persons to whom they are closely related.

3.3.6.1. Transactions between the company and members of the Management Board

Any transactions that might involve Management Board members or persons related to them, and the company or its related parties shall be based on market principles, in particular with respect to the term, interest, guaranties, etc. and shall be stated clearly in the company reports. Such transactions should be confirmed by neutral assessment of qualified experts who are independent of any participants of a concrete transaction.

3.3.6.2. Competition ban

Members of the Management Board shall not compete with the company in any manner for their own account or for the account of other persons or parties, either personally or through third parties.

Members of the Management Board shall have no significant shareholding in any companies that may be deemed to be in competition with the company.

3.3.6.3. Serving on Supervisory Boards of other companies

Any Management Board member serving on the Supervisory Board of another company shall obtain prior consent of the Supervisory Board of one's own company. No Management Board member shall serve as a member of the Supervisory Board of more than 7 companies at the same time. For the purpose of the ban contained in the previous sentence herein, the position of the Supervisory Board chairman shall count as regular membership of two supervisory boards.

3.3.7. Additional responsibilities when the company is part of a concern

The Management Board of the parent company of a concern of companies is responsible for strategic management and long-term performance of the entire concern, and is to supervise through serving on the Supervisory Boards of daughter companies their business operations and investments of the group in daughter companies.

Consequently, the Management Board of the parent company should ensure adequate cooperation within the concern, taking care of a timely and high quality exchange of information among the companies of the concern.

3.4. CO-OPERATION AND RELATIONS BETWEEN THE SUPERVISORY AND THE MANAGEMENT BOARD

The Management Board shall inform the Supervisory Board fully and in a timely manner of any facts and circumstances that might have an impact on the business, financial position and state of the assets of the company or its daughter companies.

The Management and the Supervisory Board shall always come to an agreement with regard to the company's strategic direction and the implementation of that strategy.

The Management Board shall enable easy and timely access to its own members and members of the Supervisory Board to any company facilities and premises, data files and any other documents necessary for the performance of their duties.

4. AUDIT AND INTERNAL CONTROL MECHANISMS

4.1. INDEPENDENT EXTERNAL AUDITORS

The company shall retain independent external auditors, as an important instrument of corporate governance, whose main role it is to ensure that the financial statements reflect the actual state of affairs in the company as a whole. Any auditor that is not related to the company through ownership or interests, and does not provide any services to the company on its own or through related persons, will be deemed to be an independent auditor.

Independent external auditors shall, as clearly and unambiguously as possible, state their opinion on whether the financial statements prepared by the Management Board reflect adequately the state of the capital as well as the financial position of the company and its results for a certain reporting period.

The Audit Committee shall define a plan of co-operation with independent external auditors, and propose remuneration to be paid to auditors. The Audit Committee shall submit to the Supervisory Board any proposal and recommendations for the appointment of independent external auditors, their reappointment or severance of co-operation with them.

Independent external auditors shall report directly to the committed on following issues:

- discussion on the main accounting policy,
- material shortcomings and significant deficiencies of internal controls and procedures,
- alternative accounting procedures,
- disagreement with the Management Board, risk evaluation, and
- analysis of possible fraud and /or misuse.

Any procedures conducted by the external auditors should reflect its independence and objectivity, in particular if the employees of the auditing firm also provide other professional and, in particular, advisory services. The Audit Committee should be informed about any non-audit services rendered by the independent auditors, and of any remuneration for such services so as to ensure that the independence of the auditors is above suspicion and to avoid possible conflicts of interest.

In case of any circumstances pointing to possible threats to the independence of auditors the Supervisory Board shall recommend to the shareholder assembly to retain new business advisers or auditors.

The company shall make public disclosure of any amounts of remuneration paid to external auditors for the performance of auditing and other services.

4.2. INTERNAL AUDITORS

The duty of internal auditors is to conduct internal controls and check compliance with regulations, directives and recommendations. Internal auditors shall report on their findings directly to the Audit Committee or the Supervisory Board of the company.

The Supervisory Board shall approve the annual plan of activities of internal auditors, analyze their results and supervise the implementation of their recommendations. If internal audit services are provided by external collaborators, they shall under no terms be the independent external auditors of the company.

The Audit Committee and the Supervisory Board should participate efficiently in planning the activities of internal auditors.

The Chairman of the Management Board shall be responsible for creating a system of internal controls to establish and supervise the flow of accurate, specific and complete information on the company organisation such as data on compliance with financial, business and legal obligations that may represent material risk to the company. Internal auditors should review and verify the efficiency of such a system at least once a year.

5. INVESTOR RELATIONS

5.1. STRATEGY

The Management Board of the company shall provide investors with balanced information with respect to both positive and negative aspects of the company's business operations, enabling investors to understand and make a correct assessment of the status and position of the company so that they can make an informed decision on their investment in the company.

Investors should be able to request relevant information from the company's Management Board or company officer in charge of investor relations at any time, and to receive it in writing in a timely manner.

The Management Board of the company shall therefore not only discharge its minimum duty by providing such information and answering any questions, but shall also supply the information of its own accord and to a greater extent than requested, if it believes that it might be useful or necessary for understanding the answer since this kind of quality information exchange, particularly when it occurs spontaneously, creates an atmosphere of trust between investors and bodies of the company.

The Management Board of the company shall hold special conferences with investors periodically, and whenever there is particular interest for it.

5.2. USE OF INTERNET

The company shall ensure an efficient and practical exchange of information via its website over the Internet.

The company shall post on its website any information that is subject to public disclosure under the law or its Articles of Association.

Apart from such information, the company shall also post on its website any price sensitive information, financial reports, calendar of important events, ownership structure, as well as the CVs of Management and Supervisory board members and contact information for the officer in charge of investor relations.

In order to ensure equal treatment of all shareholders, regardless of their country of origin, the company shall make any disclosed information available on its website in both the Croatian and the English language.

6. STAKEHOLDERS

For the purpose of this Code, stakeholders will be deemed to include any persons assuming direct or indirect risks with respect to the company and in connection with it. Apart from company shareholders, stakeholders also include employees, buyers or customers of the company services, suppliers, creditors, local community and state administration bodies.

It is the responsibility of the Management Board to ensure transparent and quality relations between the company and stakeholders. It shall also be responsible for ensuring that the company respects any rights that stakeholders may be entitled to under the law and best professional practice.

No one shall bear any negative consequences for pointing out failures by the company to comply with regulations or ethical norms to competent authorities or bodies of the company.

7. DISCLOSURE ON COMPLIANCE WITH CODE PROVISIONS

The company shall state in an appropriate form (annual questionnaire) contained in its annual report and also posted on its website whether it has complied with provisions and recommendations set out in this Code.

This Code and any recommendations contained herein are based on the "comply or explain" principle, i.e. where the company departs from or fails to comply with any of the Code's recommendations, it has to provide an explanation in the annual questionnaire as to the reason of failure or non-compliance.

The annual questionnaire forms an integral part of this Code.

ANNUAL QUESTIONNAIRE

All questions contained in this questionnaire relate to the period of one year referred to also by the annual financial statements.

- 1. Does the company have its www pages on the Internet?
- if yes, what is the URL address?
- If not, why?
- 2. Are the semi-annual, annual and quarterly reports made available to shareholders?
- at the company's headquarters (If not, why?)
- on the company's website (If not, why?)
- in the English language (If not, why?)
- 3. Has the company prepared a calendar of important events? (If not, why?) If yes,
- has the calendar of important events been posted on the company's website? (If not, why?),
- has the calendar of important events been update accurately and in a timely fashion? (if not, why?)
- 4. Does the company publish a list of its shareholders and update it at least twice a month? (If not, why?)
- 5. Does the company have any cross-shareholding with another company or companies? If yes,
- what companies are these?
- is the information on cross-shareholding publicly disclosed and how? (If not, why?)
- 6. Does the company disclose in the annual report the information on the securities issued by the company that are held by Members of the Supervisory Board or the Management Board of the company? (If not, why?)
- 7. Does the company post on its website the information on the securities issued by the company that are held by Members of the Supervisory Board or the Management Board, and is such information updated regularly (within 48 hours of any change)? (If not, why?)
- 8. Does the company detect and publicly disclose any risk factors? (If not, why?)
- 9. Has the company established mechanisms to ensure:
- that the persons who have access to or come into contact with inside information understand the nature and importance of such information and any restrictions with regard to it? (If not, why?)
- supervision over the flow of such information and its possible misuse (If not, why?)
- 10. Does every share of the company give one vote? If not,
- have all relevant disclosures pertaining to non-voting shares been made to the public in a timely fashion? (If not, why?)
- how are such explanations given?
- 11. Have the candidacies of any candidates for membership of the Supervisory Board who are to be elected at the Annual General Meeting or appointed, including their CVs, been posted on the company's website? (If not, why?)

- 12. Does the company treat all shareholders in the equal fashion? (If not, why?)
- 13. Has the company issued new shares? If yes,
- Has participation in the company's capital increase been enabled to all shareholders in proportion to their prior holdings in the share capital of the company, and in the form of freely transferable shares with pre-emptive rights in order to protect the interests of shareholders who at the time of the issuance may not register and purchase new shares? (If not, why?)
- Was the intention of new share issuance publicly announced at least 10 days prior to the date determined as the date for establishing shareholder status in the register which will be entitle shareholders to pre-emptive right in the purchase of newly issued shares? (If not, why?)
- 14. Has the company acquired or sold new shares (treasury stock). If yes, was this acquisition or disposal performed
- on the open market? (If not, why?)
- in the manner not favouring individual shareholders or investors or groups of shareholders, investors? (If not, why?)
- 15. Has the company simplified the issuance of the power of attorney for voting at the Annual General Meeting as much as possible and freed it of strict formal requirements? (If not, why?)
- 16. Has the company at no additional expense provided proxies to shareholders, who due to whatever reason are themselves not in a position to vote at the Annual General Meeting, to vote in compliance with shareholders' instructions? (If not, why?)
- 17. Did the Management Board of the company, at the time the Annual General Meeting was called, set the date on which shareholder status will be established as a relevant factor exercising voting rights, with such a date set preceding the Annual General Meeting by no more than 7 days? (If not, why?)
- 18. Does the decision on payment of dividend or advance dividend include a date on which the person who are shareholders become entitled to dividend payment and the date or period when the dividend will be paid out? (If not, why?)
- 19. Is the date on which the person becomes entitled to payment of dividend or all advance dividend follow the dividend decision date by no less than 10 days? (If not, why?)
- 20. Does the date of dividend or advance dividend payment fall no less than 12 and no more than 30 days after the date the decision was passed? (If not, why?)
- 21. Has the period of dividend or advance dividend payment lasted more than 10 days? (If yes, why?)
- 22. Were any shareholders favoured in the payment of dividend or advance dividend? (If yes, why?)
- 23. Was the decision on dividend or advance dividend payment setting the aforementioned dates disclosed and submitted to the stock exchange within no more than 2 days of its passing?
- 24. Was the agenda of the Annual General Meeting, and all relevant information and material with the explanations referring to the agenda, posted on the company's website and made available to shareholders at the company's premises from the date the agenda was first announced? (If not, why?).

- 25. Was the agenda of the Assembly and all relevant information and material posted on the company's website in the English language as well? (If not, why?)
- 26. Have any conditions been attached to the participation at the Annual General Meeting and the exercise of voting rights such as, for example, registering participation in advance, certification of the powers of attorney and similar (regardless of whether they might be permitted under the law and the Articles of Association)? (If yes, why?)
- 27. Does the report to be presented by the Supervisory Board at the Annual General Meeting include, apart from the content defined by the law, an assessment of the overall business performance of the company, activities of the Management Board and a special review of cooperation with the Management Board? (If not, why?)
- 28. Have shareholders been given the opportunity to participate and especially to vote at the Annual General Meeting of the company by using modern communication technology? (If not, why?)
- 29. Has the Management Board of the company communicated decisions taken by the shareholder assembly of the company at the Annual General Meeting, as the information on a possible action to reverse such decisions? (If not, why?)
- 30. Has the Supervisory Board passed a master plan of its activities, including a list of regular meetings and information to be made available to members of the Supervisory Board regularly and in a timely fashion? (If not, why?)
- 31. Has the Supervisory Board passed its internal rules of procedure? (If not, why?)
- 32. State the names of Supervisory Board members.
- 33. State other companies on whose Supervisory or Management Board each member of the Supervisory Board serves. If some of these companies are considered to be in competition with the company, state that too.
- 34. Is the Supervisory Board of the company mostly composed of independent members? (If not, why?)
- 35. Which members of the Supervisory Board are independent?
- 36. Is there a long-term succession plan within the company? (If not, why?)
- 37. Has the reward or remuneration received by Members of the Supervisory Board in its entirety or in part been set according to their contribution to the performance of the company? (If not, why?)
- 38. Is the remuneration to Members of the Management Board:
- determined by a decision of the shareholder assembly:
- set out in the Articles of Association of the company
- determined in some other manner (if yes, in which?)
- 39. Has detailed information on all remunerations and other earnings paid by the company or its related persons to each individual member of the Supervisory Board of the company, including the structure of such remuneration, been publicly disclosed? (If not, why?) (If yes, where?)
- 40. Does every member of the Supervisory Board inform the company on all changes with regard to his/her holdings of the company shares, and does no later than the next business day after such a change occurs? (If not, why?)

- 41. State all the activities involving members of the Supervisory Board or persons related to them on one side and the company or its related persons on the other side.
- 42. Were all the activities involving members of the Supervisory Board or persons related to them and the company or its related persons:
- concluded on market principles (especially with regard to the terms, interest, guaranteesand similar)? (If not, why and which?)
- clearly stated in the reports of the company (If not, why and which?)
- confirmed by independent assessment of an expert, who is independent of any participants of such a transaction? (If not, why and which?)
- 43. Are there any outstanding contracts and agreements between a member of the Supervisory Board and the company? If yes,
- did they receive prior approval of the Supervisory Board? (If not, why?)
- were important events of all such contracts and agreements included in the annual report? (If not, why?)
- 44. Has the Supervisory Board established the Appointments Committee? (If not, why?) If yes,
- has the committee assessed the composition, size, membership and quality of work of the Supervisory Board and the Management Board, and draft corresponding recommendations for the Supervisory Board? (If not, why?)
- has the committee made an evaluation of the expertise, skills and experience of individual members of the Supervisory Board and informed the Supervisory Board about it? (If not, why?)
- has the committee analysed any problems related to planning of the Supervisory and the Management Board continuity? (If not, why?)
- has the committee analysed the Management Board's recruitment policy of senior management? (If not, why?)
- 45. Has the Supervisory Board established the Remunerations Committee? If yes,
- Does the majority of committee members come from the ranks of independent members of the Supervisory Board? (If not, why?)
- Has the committee proposed to the Supervisory Board a policy of remuneration of the Management Board referring to all types of remuneration, and in particular to the fixed part of the remuneration and the variable part related to business efficiency, retirement plan and severance pay? (If not, why?)
- With regard to the variable part of the remuneration related to business efficiency, did the committee's proposal include any recommendations for determining objective criteria of efficiency assessment? (If not, why?)
- Has the committee proposed to the Supervisory Board any remuneration for individual members of the Management Board, in line with the company's remuneration policy and evaluation of performance of individual directors? (If not, why?)
- Has the committee proposed to the Supervisory Board an appropriate form and content of the contract concluded with members of the Management Board? (If not, why?)
- Has the committee monitored the amount and the structure of remuneration to senior management, and provided general recommendations to the Management Board with regard to it? (If not, why?)
- With regard to the part of the remuneration to the Management Board composed of share options or other arrangements based on the acquisition of shares, has the committee analysed the general policy of such a type of remuneration and suggested to the Supervisory

Board appropriate solutions, while also analysing the information being disclosed about it in the annual report, prior to disclosure?

46. Has the Supervisory Board established the Audit Committee? (If not, why?) If yes,

- Does the majority of committee members come from the ranks of independent members of the Supervisory Board? (If not, why?)
- Did the committee follow the integrity of financial information on the company, and in particular, the correctness and consistency of the accounting methods used by the company and the group to which it belongs, including any criteria for a consolidation of financial reports of the companies which belong to the group? (If not, why?)
- Has the committee evaluated the quality of the internal audit system and risk management, in order to identify and publicly disclose major risks to which the company has been exposed (including the risks related to compliance with the provisions) in the appropriate manner, and manage such risks in the appropriate way? (If not, why?)
- Has the committee worked on ensuring the efficacy of the internal audit system, especially through preparing recommendations on the recruitment, appointment, reappointment and dismissal of the head of the internal audit department, resources at his/her disposal and assessment of the head's actions with respect to the findings and recommendations of the internal audit? (If not why?).
- If there is no internal audit role within the company, has the committee made an evaluation of the need to establish it? (If not, why?)
- Has the committee given its recommendations to the Supervisory Board with regard to the hiring, appointment, reappointment and change of the external auditors, and on the terms and conditions of their engagement? (If not, why?)
- Has the committee supervised the independence and objectiveness of the external auditors, in particular with regard to a rotation of authorized auditors within the auditing firm and remunerations paid by the company for the external auditors' services? (If not, why?)
- Has the committee monitored the nature and the quality of services other than auditing services provided by the auditing company and the persons related to it? (If not, why?)
- Has the committee prepared any rules on the services that the external auditing firm and the persons related to it may not provide to the company, the services that are subject to a prior consent of the committee and others to be provided without prior consent? (If not, why?).
- Has the committee analysed the efficiency of the external audit and steps taken by senior management with regard to the recommendations made by the external auditors? (If not, why?)
- Has the committee examined the circumstances related to a dismissal of the external auditors and given appropriate recommendations to the Supervisory Board? (if it came to such a dismissal)? (If not, why?)
- Does the committee maintain open and unrestricted communication with the Management Board and the Supervisory Board? (If not, why?)
- To whom is the committee accountable for its work?
- Does the committee maintain open and unrestricted communication with the internal and external auditors? (If not, why?)
- Has the Management Board, so far, submitted to the Audit Committee:
 - timely and periodical presentation of financial statements and related documents prior to their public disclosure (If not, why?);
 - information on any changes in the accounting principles and criteria (If not, why?);
 - accounting procedures accepted for the majority of actions (If not, why?);
 - each significant departure from the book and real value per single items (If not, why?);

- any correspondence with the internal audit department and independent auditors (If not, why?)
- Has the Management Board informed the Audit Committee of the methods used for recording major and unusual transactions and business events when the book-keeping presentation of such events may be approached in different manners? (If not, why?)
- Has the Audit Committee discussed with the independent auditors the issues related to:
 - change of or keeping the same accounting policies and criteria, (If not, why?)
 - change of regulations (If not, why?)
 - important assessments and conclusions in preparing financial reports (If not, why?)
 - methods of risk assessment and results (If not, why?)
 - high-risk areas of activities (If not, why?)
 - major deficiencies and significant discrepancies observed in the internal audit (If not, why?)
 - impact of external factors (economic, legal and industrial) on financial statements and audit procedures (If not, why?).
- Has the Audit Committee provided a flow of high quality information from the dependent and associated companies as well as third parties (such as expert advisers)? (If not, why?)
- 47. Has the documentation relevant for work of the Supervisory Board been submitted to all members on time? (If not, why?)
- 48. Have all decisions passed at Supervisory Board meetings been recorded in theminutes together with the voting results, stating how each member voted? (If not, why?)
- 49. Has the Supervisory Board prepared an evaluation of its work in the past period, including an assessment of the contribution and competence of each member, as well as of the joint work of the committee, an evaluation of work of the committees established by the Supervisory Board and an evaluation of the results achieved in relation to the target objectives of the company?
- 50. State the names of the members of the Management Board.
- 51. Are there any rules for work of the Management Board defining the issues with regard to:
- scope of activities and objectives.
- rules of procedure,
- rules on resolving any conflict of interest,
- secretary of the Management Board.
- meetings, decision-making, agenda, preparation and content of the minutes and submission of documents.
- co-operation with the Supervisory Board (If not, why?)
- 52. Has the company disclosed a statement of the policy of remuneration of the Management Board and the Supervisory Board as part of the annual report? (If not, why?)
- 53. If there is a Remuneration policy statement, does it include the following parts:
- significant changes of the remuneration policy in comparison with the previous year (If not, why?)
- explanation of the relative portion and significance of the fixed and variable parts of remuneration (If not, why?)
- sufficient information on the efficiency criteria for the entitlement to acquisition of share options, shares or other form of remuneration the variable portion is based on (If not, why?)

- sufficient information on the relation between the amount of remuneration and efficiency (If not, why?)
- basic ratios and reasons for a distribution of annual bonuses or benefits other than cash (If not, why?)
- summary of the contracts with members of the Management Board, including any information on the contract duration, notice periods and in particular on severance pay. Each form of remuneration to members of the Management Board and the Supervisory Board which includes share options on shares and other entitlements to the acquisition of shares, in case the remuneration based on the price of shares of the company should be approved by the shareholder assembly of the company. This approval refers to remuneration principles, and not to approving remuneration to individual members of the Management Board or the Supervisory Board (If not, why?).
- 54. Has the statement of the policy of remuneration to the Management Board been constantly posted on the website of the company? (If not, why?)
- 55. Are detailed records on all earnings and remunerations which each member of the Management Board receives from the company published in the Annual report of the company? (If not, why?)
- 56. Are all forms of remunerations to members of the Management Board and the Supervisory Board, including options and other benefits of the Management Board disclosed by detailed single items and persons in the annual report of the company? (If not, why?)
- 57. Does the Statement of remunerations to members of the Management Board include the following elements with regard to each member of the Management Board who held this post in the year to which the statement refers:
- total amount of the salary, regard of whether it has actually been paid or not (If not, why?)
- remunerations or benefits received from related companies (If not, why?)
- remunerations in the form of a participation in the profit or bonus and the reasons why they were paid (If not, why?)
- any other additional remunerations paid to members of the Management Board for the activities they performed for the company, outside the usual scope of activities of the member of the Management Board (If not, why?)
- compensation paid or due to be paid to a former member of the Management Board whose duties ceased during the year to which the statement refers (If not, why?)
- total estimated value of non-cash benefits which are considered to be the remuneration, but are not listed in prior items (If not, why?)
- with regard to a remuneration in shares or share options or other forms of remuneration based on the acquisition of shares:
 - number of options or shares approved by the company in the year to which the statement refers and terms of their exercise (If not, why?)
 - number of options exercised in the year to which the statement refers, and for each
 of them, the number of shares and the price at which it was exercised, or the value of
 shares included in the distribution to members of the Management Board at the year
 end (If not, why?)
 - number of options not exercised at the end of the year, the price at which they can be exercised, the exercise date and the main terms (If not, why?)
 - each change related to the change of terms for the exercise of outstanding options which occurred in the company in the year to which the statement refers (If not, why?)
- each loan (including the balance of debt and the interest rate), advance payment or guarantee issued in favour of members of the Management Board by related companies

which are included into the consolidated financial statement (If not, why?)

- 58. Has every member of the Management Board informed the Supervisory Board of the company on all changes with regard to his/her shareholding no later than the next business day after which such a change occurred, with the obligation of the company to disclose such a change promptly? (If not, why?)
- 59. State all the transactions involving members of the Management Board or persons related to them on one side and the company or related parties or persons on the other side.
- 60. Were all the transactions involving members of the Management Board or persons related to them:
- concluded on market principles (especially with regard to terms, interest, guarantees and similar)? (If not, why and which?)
- clearly stated in the company's reports? (If not, why and which?)
- confirmed by independent assessment of experts, who are independent of any participants in such transactions? (If not, why and which?)
- 61. Do members of the Management Board have any significant interest in the companies that might be deemed to be in competition with the company? (If yes, which, where and how many?)
- **62.** Do members of the Management Board serve on the Supervisory Boards of other companies? (If yes, state the names of these members of the Management Board, names of the companies in which they serve as members of the Supervisory Boards and the roles they fill in these Supervisory Boards).
- 63. Does the company have external auditors (If not, why?)
- 64. State whether the external auditors of the company:
- are related to the company in proprietary terms or in terms of interest (If yes, state in which manner)
- themselves or through other persons provide other services to the company? (If yes, state which and the cost to the company)
- 65. Have the independent auditors directly informed the company on the following issues:
- discussion on the main accounting policy
- major discrepancies and deficiencies of the internal audit,
- alternative accounting procedures,
- non-compliance with the Management Board, risk assessment, and
- analysis of possible fraud and/or misuse. If they did not, why?
- 66. Has the company publicly disclosed the amount of remuneration paid to the independent external auditors for the audit performed and other services? (If not, why?)
- 67. Does the company have internal auditors and an established internal audit system? (If not, why?)
- 68. Do investors have the possibility to request and get relevant information from the Management Board of the company or from the person in the company entrusted with investors relations in written form and in a timely manner (If not, why?).

- 69. How many meetings with investors has the Management Board of the company held?
- 70. Has someone suffered negative consequences of advising supervisory bodies or authorities within or outside the company on the deficiencies in compliance with regulations or adherence to ethical norms by the company? (If not, why?)
- 71. Do all members of the Management Board and the Supervisory Board agree that the statements made in the answers to this questionnaire are to their best knowledge truthful in their entirety? (If not, state which members of the Management Board and the Supervisory Board do not agree, which answers they disagree with and why).

