

Current state of Boryszew S.A.'s compliance
with the recommendations and principles
contained in the set of Best Practice of GPW
(Warsaw Stock Exchange) Listed Companies 2016

Boryszew S.A. [limited-liability company] applies the recommendations and principles contained in the set of Best Practice of GPW (Warsaw Stock Exchange) Listed Companies 2016, excluding the following:

	Recommendation/Principle	
I.Z.1	A company should operate a corporate website and publish on it, in a legible form and in a separate section, in addition to information required under the legislation:	
	I.Z.1.20 an audio or video recording of a general meeting;	<i>The principle is not applied.</i> Company's comment <i>Because general meetings are not recorded in any way other than by drawing up a protocol required under the legislation, the Company does not publish audio or video recordings of a general meeting on its website.</i>
II.Z.3	At least two members of the supervisory board should meet the criteria of being independent referred to in principle II.Z.4.	<i>The principle is not applied.</i>
II.Z.7	Annex I to the Commission Recommendation referred to in principle II.Z.4 applies to the tasks and the operation of the committees of the Supervisory Board. Where the functions of the audit committee are performed by the supervisory board, the foregoing should apply accordingly.	<i>The principle is not applied.</i>
II.Z.8	The chair of the audit committee should meet the independence criteria referred to in principle II.Z.4.	<i>The principle is not applied.</i>
IV.R.2	If justified by the structure of shareholders or expectations of shareholders notified to the company, and if the company is in a position to provide the technical infrastructure necessary for a general meeting to proceed efficiently using electronic communication means, the company should enable its shareholders to participate in a general meeting using such means, in particular through: <ol style="list-style-type: none"> 1) real-time broadcast of the general meeting; 2) real-time bilateral communication where shareholders may take the floor during a general meeting from a location other than the general meeting; 3) exercise of the right to vote during a general meeting either in person or through a plenipotentiary. 	<i>The principle is not applied.</i>

IV.Z.2	If justified by the structure of shareholders, companies should ensure publicly available real-time broadcasts of general meetings.	<p><i>The principle is not applied.</i></p> <p><i>Company's comment:</i></p> <p><i>The Company believes that publicly available real-time broadcasts of general meetings are not expected by the shareholders. In addition, the manner in which general meetings have been so far documented has made it possible to maintain transparency and protection of shareholder rights. Furthermore, the Company provides the information on resolutions being adopted in the form of current reports, and also publishes such information on the website www.boryszew.com.pl.</i></p>
V.Z.6	In its internal regulations, the company should define the criteria and circumstances under which a conflict of interest may arise in the company, as well as the rules of conduct where a conflict of interest has arisen or may arise. The company's internal regulations should among others provide for ways to prevent, identify and resolve conflicts of interest, as well as rules of excluding members of the management board or the supervisory board from participation in reviewing matters subject to a conflict of interest which has arisen or may arise.	<p><i>The principle is not applied.</i></p> <p>Company's comment: <i>At present, the Company has no internal regulations defining criteria and circumstances under which a conflict of interest may arise, and it also has no rules of conduct where a conflict of interest has arisen or may arise. After verifying the practice applied in this area, the Company will consider the possibility of introducing the aforementioned regulations in the future.</i></p>
VI.R.1	The remuneration of members of the company's governing bodies and key managers should follow the approved remuneration policy.	<p><i>The principle is not applied.</i></p>
VI.R.2	The remuneration policy should be closely tied to the company's strategy, its short- and long-term goals, long-term interests and results, and taking into account solutions necessary to avoid discrimination on whatever grounds.	<p><i>The principle is not applied.</i></p>