

CORPORATE GOVERNANCE STATEMENT

Pursuant to §91 par. 5 item 4 of the Regulation of the Minister of Finance of 19 February 2009 on Current and Interim Information to be Submitted by Issuers of Securities and Conditions for Considering as Equivalent Information Required under the Law of a Non-Member State (as amended) and §29 par. 5 of the Regulations of the Warsaw Stock Exchange S.A., the Management Board of Boryszew S.A. presents hereby the statement of corporate governance in 2016.

Boryszew Spółka Akcyjna listed on the Warsaw Stock Exchange was bound to observe in 2016 the rules of corporate governance specified in the "Code of Best Practice for WSE Listed Companies 2016" (annex to Resolution no. 26/1413/2015 of the Supervisory Board of the Warsaw Stock Exchange S.A. of 13 October 2015). The content of the rules is available on the website of the Warsaw Stock Exchange dedicated to this issue.

The Company is making every effort to follow the corporate governance principles in all aspects of its activity.

Moreover, in order to pursue an clear and efficient information policy, it ensures its shareholders, analysts and investors s fast and secure access to information, utilising both the traditional as well as modern technologies for publishing information on the Company to the widest possible extent.

THE CORPORATE GOVERNANCE RULES WHICH APPLY TO BORYSZEW S.A., WHERE THESE RULES ARE AVAILABLE, THE EXTENT OF THE COMPANY'S DEPARTURE FROM THE SET OF CORPORATE GOVERNANCE RULES AND THE REASONS FOR THIS.

In 2016, the Company complied with the general principles of corporate governance contained in the document "Good practices for the companies listed on the WSE 2016", with the exception of the following principles/recommendations provided, however, that part of the principles from which the Company withdrew in 2016, as of the date of this statement, was adopted for use. Detailed information about the withdrawal of the application are described in the dedicated shared statement on the Company's website. www.boryszew.com.pl

	Recommendation/Principle	Explanation of non-compliance with certain principles in 2016	Comments
I.R.4	The Company should make every effort, including sufficiently in advance, to take all steps necessary to draw up the interim statement to enable investors to become acquainted with the financial results achieved as soon as possible after the end of the statement period.	<i>The Company recognizes the discussed principle as good corporate practice, and plants to apply it. Due to the size of Grupa Kapitałowa, the Company was not in a position to publish periodic statements in the shortest possible time after the end of the statement period.</i>	As of the date of the publication of the statement, the above principle is applied.
I.Z.1.3.	The Company has a corporate website and publishes, in a legible form and a separate place, in addition to the information required by law: a scheme of division of tasks and responsibilities between the	<i>The Company recognizes the discussed principle as good corporate practice, and plants to apply it. In 2016, such information was not uploaded</i>	As of the date of the publication of the statement, the above principle is applied.

	members of the management board drawn up in accordance with II.Z.1 principle.	<i>on the Company's website. This would require the reconstruction of the website.</i>	
I.Z.1.8.	The Company has a corporate website and uploads, in a legible form and separate place, in addition to the information required by law: composition of selected financial data of the Company for the last 5 years of activity, in a format that enables to process such data by the recipients.	<i>In 2016, such information was not uploaded on the Company's website. This would require the reconstruction of the website.</i>	As of the date of the publication of the statement, the above principle is applied.
I.Z.1.9.	The Company has a corporate website and uploads on it, in a legible form and separate place, in addition to the information required by law: information on its expected dividends and dividends paid by the Company in the last 5 financial years, including the data on the day of the dividend, limits and amount of the dividends - in total and per share.	<i>In 2016, such information was not uploaded on the Company's website. This would require the reconstruction of the website.</i>	As of the date of the publication of the statement, the above principle is applied.
I.Z.1.10.	The Company has a corporate website and uploads on it, in a legible form and separate place, in addition to the information required by law: financial forecasts – if the Company decided to publish them, they will be published within at least past 5 years, with the information on their implementation.	<i>In 2016, such information was not uploaded on the Company's website. This would require the reconstruction of the website.</i>	As of the date of the publication of the statement, the above principle is applied.
I.Z.1.15.	The company has a corporate website and uploads on it, in a legible form and separate place, in addition to the information required by law: the information that contains the description of the Company's diversity policy in relation to the authorities of the Company and its key managers; this description should take into account such diversity, gender, education, age, work experience, as well as indicate the purposes of the applied policy of diversity and its implementation in the statement period; If the Company did not draw up and does not implement the policy of diversity on its website - the explanation of the decision.	<i>In 2016, such information was not uploaded on the Company's website. This would require the reconstruction of the website.</i>	As of the date of the publication of the statement, the above principle is applied.

I.Z.1.16.	The Company has a corporate website and uploads on it, in a legible form and separate place, in addition to the information required by law: the information on the planned broadcast of the deliberations of the General Meeting - not later than 7 days before the date of the General Meeting.	<i>In 2016, such information was not uploaded on the Company's website. This would require the reconstruction of the website.</i>	As of the date of the publication of the statement, the above principle is applied.
I.Z.1.20.	The Company has a corporate website and uploads on it, in a legible form and separate place, in addition to the information required by law: the record of the proceedings of the General Meeting in an audio or video form.	<i>So far, the Company has not recorded the proceedings of the General Meeting in an audio or video form. Due to the non-recorded course of the general meeting in a different way than by developing a statement required by the law, the Company does not publish the recorded course of the general meeting in an audio or video form on its website.</i>	
II.Z.1.	The internal division of responsibilities for individual areas of the Company's activities between the members of the management board should be formulated in a clear and transparent way, and the division scheme is available on the Company's website.	<i>The internal division of responsibilities for individual areas of the Company's operations by the members of the Management Board acting at the same time as managers is determined by the Management Board in the Organizational Regulations. In 2016, the division scheme was not available on the Company's website.</i>	As of the date of the publication of the statement, the above Principle is applied by the Company.
II.Z.3.	At least two members of the supervisory board meets the independence criteria, referred to in II.Z.4 principle.	<i>Currently, the supervisory board consists of one independent member. Until 15 June 2016, the composition of the supervisory board consisted of two independent members. It should be noted that the General Meeting is a recipient of the principle; it selects members of the Supervisory Board. The</i>	

		<i>Company may not guarantee that in the future shareholders voting at the General Meeting will always choose the supervisory board consisted of two independent members.</i>	
II.Z.4.	Annex II to Commission Recommendation 2005/162/EC of 15 February 2005 on the role of non-executive directors or being members of supervisory boards of the listed companies and of the supervisory board commission is applied to the criteria for the independence of the members of the supervisory board.	<i>The Company recognizes the discussed principle as good corporate practice. The election of the members of the Supervisory Board of the Company depends on the decisions of the shareholders voting at the General Meeting, so the Company may not guarantee that it will be adopted in the future.</i>	
II.Z.5.	A member of the supervisory board will provide other members of the board and the management board of the Company with a statement on meeting the criteria of the independence specified in II.Z.4 principle.	<i>This derogation was temporary. The Company will make every effort to ensure that at the nearest meeting of the Supervisory Board of the Company the issue of transferring to the other members of the Supervisory Board and the Management Board of the Company a statement on meeting by the member of the Supervisory Board the criteria of the independence specified in II.Z.4 principle. The existing members of the Company's supervisory board, meeting the criteria of the independence, committed themselves to notify the Company immediately on any change of fact or law that has or may have an impact on the content of the submitted statement of the independence.</i>	As of the date of the publication of the statement, the above principle is applied.

II. Z.7.	Within the scope of the tasks and functioning of committees acting in the supervisory board, the provisions of Annex I to the Commission Recommendation referred to in II.Z.4 principle are applied. If the audit committee functions are carried out by the supervisory board, the above principles will be applied accordingly.	<i>In the current composition, the Supervisory Board has five members and carries out the task of the audit committee. Consequently, the Company applies the provisions of Annex I to the Commission Recommendation of 15 February 2005 on the role of non-executive directors (...) only to a limited extent.</i>	
II.Z.8.	The president of the audit committee meets the criteria of the independence specified in II.Z.4 principle.	<i>In the current composition, the Supervisory Board has five members and carries out the task of the audit committee. The president of the Supervisory Board does not meet the criteria of the independence specified in II.Z.4 principle.</i>	
II.Z.11.	The supervisory board considers and provides its opinion on the issues subject to the resolutions of the general meeting.	<i>The Company recognizes that it is a good practice to issue an opinion to the supervisory board on the issues that are subject to the resolutions of the general meeting. However, in accordance with the Company's Articles of Association and accepted practice, this applies only to the issues brought on the agenda of the general meeting by the management board or the authorized shareholders. This is the reason that the Company decides to waive the applied principle.</i>	
III.R.1.	The Company distinguishes within its structure the entities responsible for carrying out tasks in particular systems or functions unless the separation of the organizational units is not justified by the	<i>The recommendation is not applied. The Company's management is responsible for its operations, including internal control of processes, risk management and</i>	As of the date of the publication of the statement, the above principle is applied.

	size or nature of the activities carried out by the Company.	<i>compliance with the law. In the Company's opinion, the tasks related to these areas of responsibility are carried out by individual organizational units in accordance with the scope of duties and responsibilities specified by the Management Board of the Company. In the Company's opinion, it is sufficient from the point of view of its business to provide security in the areas of defined risks.</i>	
III.Z.1.	The management board of the company is responsible for the implementation and maintenance of effective internal control, risk management, compliance and internal audit functions.	<i>In 2016, the Company had no formal internal control, compliance and internal audit system. The tasks related to the audit are carried out by individual organizational units in accordance with the scope of duties and responsibilities specified by the Management Board of the Company. In the Company's opinion, it is sufficient from the point of view of its business to provide security in the areas of defined risks.</i>	As of the date of the publication of the statement, the above principle is applied.
III.Z.2.	Subject to III.Z.3 principle, people responsible for risk management, internal audit and compliance will be directly responsible to the president or other members of the management board and will have the opportunity to report directly to the supervisory board or the audit committee.	<i>In 2016, the Company did not apply the above principle - clarification in the comment to III.Z.1 principle.</i>	As of the date of the publication of the statement, the above principle is applied.
III.Z.3.	With regard to the person in charge of the internal audit function and other people responsible for carrying out its tasks, the principles of the independence specified in the generally accepted international standards of professional practice of internal audit are applied.	<i>In 2016, the Company did not apply the above principle - clarification in the comment to III.Z.1 principle.</i>	As of the date of the publication of the statement, the above principle is applied.

III.Z.4.	At least once a year, a person responsible for internal auditing (in the case of the separation of functions in the company) and the management board present the supervisory board their own assessment of the effectiveness of the systems and functions referred to in III.Z.1 principle, with the corresponding statement.	<i>In 2016, the Company did not apply the above principle due to incomplete application of III.Z.1 principle by the Company.</i>	As of the date of the publication of the statement, the above principle is applied.
III.Z.5.	The supervisory board monitors the effectiveness of the systems and functions referred to in III.Z.1 principle, based inter alia on the statements that are periodically provided directly to those responsible for those functions and the management board of the company, and annually assess the effectiveness of these systems and functions, in accordance with II.Z.10.1 principle. If the audit committee operates within the company, it will monitor the effectiveness of the systems and functions referred to in III.Z.1 principle, but does not relieve the supervisory board of an annual assessment of the effectiveness of these systems and functions.	<i>The Company did not apply the above principle. In 2016, due to incomplete application of III.Z.1 principle by the Company, the application of this principle by the Supervisory Board was not possible.</i>	As of the date of the publication of the statement, the above principle is applied.
IV.R.2.	If it is justified by the shareholder structure or the company's expectations of shareholders, if the company is able to provide the technical infrastructure necessary for the smooth conduct of the general meeting using electronic means of communication, it will allow the shareholders to participate at the general meeting using such means.	<i>In 2016, the Company did not apply the recommendations. The implementation of this recommendation currently involves the risks such as inter alia: quality of transmission, delays in data transmission, etc., and also undermining the effectiveness of the resolutions adopted by the General Meeting. The Company does not exclude the implementation of this principle in the future.</i>	
IV.Z.2.	If it is justified by the company's shareholding structure, the company will make broadcasting of the general assembly in real time publicly available.	<i>Failure to apply this principle is justified by the technical and financial considerations associated with the possible implementation of this principle, so the Company</i>	

		<p><i>decides to waive from this principle.</i></p> <p><i>In the opinion of the Company, a commonly available transmission of the course of the general meeting in a real time is not expected by the shareholders. The current form of documenting the proceedings of the General Meeting allowed to preserve transparency and protect the shareholders' rights. In addition, the information on the adopted resolutions is provided by the Company in a form of current reports, and it is also published on the website www.impexmetal.com.pl.</i></p>	
IV.Z.6.	<p>The Company is committed not to prevent or restrict the exercise of the right to participate in the general meeting of shareholders by cancelling the general meeting, changing the date or ordering a break at the meeting.</p>	<p><i>In 2016, the Company declared the application of the principle in relation to decisions taken by the Management Board within the scope indicated in the principle. i.e. cancellation, change of date or interruption of the General Meeting. However, if the decisions are taken by other qualified entities, based on the provisions of the law, the Company may not guarantee the application of this principle.</i></p>	<p>As of the date of the publication of the statement, the above principle is applied.</p>
IV.Z.9.	<p>The Company will make every effort to draft resolutions of the General Meeting of Shareholders with justification if this facilitates the shareholders to adopt the resolutions with due discernment. If a particular issue is included in the agenda of the general meeting at the request of a shareholder or shareholders, the</p>	<p><i>The Company considers the justification of the draft resolutions of the general meeting as good practice. The obligation indicated in this principle may be carried out only if the Company has data available to provide</i></p>	<p>As of the date of the publication of the statement, the above principle is applied.</p>

	<p>management board or the president of the general meeting will request for the statement of reasons for the proposed resolution. In important issues or concerns of shareholders, the company will provide justification unless it otherwise provides shareholders with the information ensuring that the resolution is resolved with due diligence.</p>	<p><i>justification or information that will ensure the adoption of a resolution with due discernment. This is the reason that the Company decides to waive the applied principle.</i></p>	
V.Z.5.	<p>Prior to the conclusion by the company of a material agreement with a shareholder holding at least 5% of the total number of votes in a company or related entity, the Management Board requests the supervisory board to agree to such a transaction. The Supervisory Board, prior to consent, agrees to assess the impact of such transaction on the company's interest. The above obligation is not subject to typical and market-based transactions as a part of the operating activities of the company with the entities being a part of the group of companies of the company. If a decision to conclude a material agreement with a related entity by the company is made by the general meeting, before making such a decision, the company will provide all shareholders with access to the information necessary to assess the impact of the transaction on the interests of the company.</p>	<p><i>In 2016, the Company's internal documents did not specify the supervisory board's competence to consent to certain agreements concluded by the Company with the affiliates.</i></p>	<p>As of the date of the publication of the statement, the above principle is applied.</p>
V.Z.6.	<p>In its internal regulations, the company specifies the criteria and circumstances in which a conflict of interest may arise in the company, as well as the principles of conduct in the face of a conflict of interest or the possibility of its occurrence. The company's internal regulations include, but are not limited to, the prevention, identification and resolution of conflicts of interest, as well as the exclusion of a member of the management board or the supervisory board from participation in the</p>	<p><i>Currently, the company does not have internal regulations specifying the criteria and circumstances in which a conflict of interest may arise in the company, as well as the principles of conduct in the face of a conflict of interest or the possibility of its occurrence. After reviewing the practice, the company will consider the possibility of</i></p>	

	consideration of a subject to or at risk of conflict of interest.	<i>introducing such regulations in the future.</i>	
VI.R.1.	The remuneration of all members of the company's governing bodies and key managers should be derived from the remuneration policy.	<i>The company does not have the adopted remuneration policy. The remuneration principles for the members of the Supervisory Board are specified by the General Meeting of Shareholders and the remunerations of the Management Board are specified by the Supervisory Board. The remuneration of the Management Board is related to the company's financial results. In the annual statement, the company publishes the information on the remuneration of managers and supervisors in accordance with §91 (6) (17) of Regulation of the Minister of Finance on current and periodic information of 19 February 2009 (as amended).</i>	
VI.R.2.	The remuneration policy should be closely related to the company's strategy, its short- and long-term purposes, long-term interests and results, and should include solutions to avoid discrimination for any cause.	<i>The company does not have the remuneration policy. This makes the Company unable to apply this recommendation.</i>	
VI.Z.1.	The motivation programmes should be designed to, inter alia, make the level of the remuneration of the members of the management board and its key managers dependent on the company's long-term financial standing and long-term shareholder value and business stability.	<i>In 2016, the company did not have the motivation programmes. The form and structure of the remuneration of the members of the Management Board are determined by the Supervisory Board.</i>	As of the date of the publication of the statement, the above principle is applied.
VI.Z.2.	In order to relate the remuneration of members of the management board and key managers with the company's long-term business and financial purposes, the period between options or other	<i>In 2016, the principle was not applied, as explained in the comment to VI.Z.1. principle.</i>	

	instruments connected to a company's shares granted under the motivation programme and the possibility to carry out them should be at least 2 years.		
VI.Z.3.	The remuneration of the members of the supervisory board should not depend on options and other derivatives or any other variable components, and should not be subject to the company's performance.	<i>The Company recognizes the discussed principle as good corporate practice. It should be noted, however, that meeting of this obligation is subject to the resolution of the General Meeting of the Company. The company may not guarantee that in the future the shareholders, voting at the General Meeting, will vote in each case in a manner that ensures the adoption of a resolution the effects of which will be consistent with the principle. This is the reason that the Company is forced to waive the applied principle.</i>	As of the date of the publication of the statement, the above principle is applied.
VI.Z.4.	In the activity statement, the Company presents the statement on the remuneration policy.	<i>This principle is not fully applied. In 2016, the Company did not have the adopted remuneration policy. The remuneration policy of the Company's employees is defined in the Company's Regulations of Remuneration. The form and structure of the remuneration of the members of the management board are determined individually by the Supervisory Board.</i>	

THE MAIN CHARACTERISTICS APPLIED IN THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE PROCEDURE OF COMPILING FINANCIAL REPORTS AND CONSOLIDATED FINANCIAL REPORTS

In connection with the need to adapt the procedures existing in Grupa Kapitałowa Boryszew, on the capital market and the transfer of information to the public, to the currently applicable law, i.e. introduced with effect from 3 July 2016, the new rules regarding disclosure of the companies listed on the Warsaw Stock Exchange S.A., on 27 June 2016, the Management Board of Boryszew S.A. adopted a resolution on the adoption of: "The rules of cooperation in carrying out the information obligations within Grupa Boryszew", specifying:

- requirements as to the scope and form of carrying put the information obligations by Boryszew S.A. with the participation of the companies from Grupa Kapitałowa Boryszew,
- valid identification process, circulation and protection of the information within the information obligations carried out by Boryszew S.A. required by the Rules of MAR, the Act on public offering and other legislation, in particular by specifying the rules of conduct of operators required to apply the rules of procedure in connection with the entry into possession of information that are subject to reporting and the information obligations,
- model of cooperation between the companies of Grupa Kapitałowa Boryszew and all organizational units of Boryszew S.A., including the units of the Companies of Grupa Kapitałowa Boryszew and the Office of the Management Board of Boryszew S.A.,
- responsibilities of the management and supervisory units and people having access to confidential information related to access to confidential information and carrying out transaction with the securities of Boryszew S.A. and related financial instruments.

In addition, the Rules clearly specify the responsibility of people involved in the development and verification of the financial statements of the company.

The Chief Financial Officer is responsible for supervising the development and formal verification of the financial statements.

The method and the schedule of the development of the financial statements are specified in a separate document developed by the accounting officer.

The development works of the financial statements are supervised by the accounting officer.

The managers of individual departments of Boryszew S.A. are responsible for timely and accurate provision of the accounting officer with the information which is the subject of the financial statements.

The presidents of the subsidiaries and affiliates, the Managing Directors of the Branches are responsible for the designation of responsible people (agents) for timely and accurate provision the accounting officer with the information which is the subject of the financial statements.

The Company's annual and semi-annual financial statements are also subject to independent auditing and relevant reviewing by a statutory auditor.

The Company manages the risk in relation to the process of the development of the financial statements by following the regulatory changes and external regulations relating to the reporting requirements and develops them well in advance.

The Company constantly updates the accounting principles applied as the basis to develop the financial statements. In order to ensure the stability of Grupa Kapitałowa Boryszew, the Company coordinates and impacts on the activities of the subsidiaries through their representatives in the statutory units of the companies.

SHAREHOLDERS WHO, DIRECTLY OR INDIRECTLY, HOLD SUBSTANTIAL PACKETS OF SHARES WITH INDICATION OF THE NUMBER OF SHARES HELD BY SUCH PARTIES, THEIR PERCENTAGE SHARE IN THE SHARE CAPITAL, THE NUMBER OF VOTES RESULTING FROM THE SHARES AND THEIR PERCENTAGE SHARE IN THE OVERALL NUMBER OF VOTES AT THE GENERAL MEETING.

The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes as at 31.12.2016:

Shareholders:	Number of shares	% of capital	Number of votes	% of votes
Roman Krzysztof Karkosik (*)	152 814 120	63,67%	151 654 285	63,19%
including: subsidiaries	24 818 412	10,34%	24 818 412	10,34%
Others	87 185 880	36,33%	88 345 715	36,81%
Total:	240 000 000	100,00%	240 000 000	100,00%

(*) *Mr Roman Krzysztof Karkosik with subsidiaries (as per notification of 13 October 2016).*

The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes as at the publication of the statement:

Shareholders:	Number of shares	% of capital	Number of votes	% of votes
Roman Krzysztof Karkosik (*)	152 814 120	63,67%	151 654 285	63,189%
including: subsidiaries	24 818 412	10,34%	24 818 412	10,341%
Nationale – Nederlanden Open Pension Fund (**)	14 773 261	6,16%	14 773 261	6,156%
Others	72 412 619	30,17%	73 572 454	30,655%
Total:	240 000 000	100,00%	240 000 000	100,000%

(*) *Mr Roman Krzysztof Karkosik with subsidiaries (as per notification of 13 October 2016).*

(**) *Nationale-Nederlandem Open Pension Fund (in accordance with the notice of 11 January 2017).*

The Company is not aware of any agreements other than those disclosed in point 27 under which changes might occur in future in the proportions of shares held by the existing Shareholders.

The Company did not issue any securities that would confer any special controlling rights on any of its shareholders.

All shares are equal, each share entitles to one vote at the General Meeting.

RESTRICTIONS ON EXERCISE OF VOTING RIGHTS OF THE SECURITIES ISSUED BY BORYSZEW S.A.

There are no restrictions on the exercise of voting rights in securities, such as restrictions on the exercise of voting right by the holders of a particular part or number of votes, time limits on exercising voting rights, or records in accordance with which, in cooperation with the company, equity rights related to securities are separated from the possession of securities.

LIMITATIONS ON TRANSFER OF PROPRIETARY RIGHTS TO SECURITIES ISSUED BY BORYSZEW S.A.

The Company's shares are transferable. No limitations exist on the transfer of proprietary rights to securities issued by Company.

PRINCIPLES OF APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD AND THEIR POWERS

Pursuant to the Company's Articles of Association, duties of the Supervisory Board include appointing and recalling from office the Management Board Members; the Supervisory Board first appoints a President and on his proposal the remaining Management Board Members.

The term of office of the Management Board is three years and is common for all members of the Management Board.

The Management Board, under the chair of the President, manages the Company's affairs and represents the Company.

The powers of the Management Board include all matters which are not reserved either by law or by provisions of the Company's Articles of Association.

RULES ON AMENDING ARTICLES OF ASSOCIATION

Amendments to the Articles of Association require resolution of the General Meeting of Shareholders and must be registered with the National Court Register.

In order to amend the Articles of Association, the Management Board quotes, in the notification on General Meeting of the Company's Shareholders, the provisions then in force and the proposed amendments. If the intended amendments are extensive, the Management Board must also include the proposed consolidated text of the entire Articles of Association in the notification along with a list of its new or amended provisions.

Any amendment to the Articles of Association must be adopted by the General Meeting with the majority of $\frac{3}{4}$ of votes.

In exceptional cases the Articles of Association can be amended not by way of resolution of the General Meeting but by a notarized resolution of the Management Board. This is possible in strictly defined circumstances, as stipulated in the Commercial Companies Code, in case of decrease of the share capital (e.g. redemption of own shares which were not purchased by the Company's employees during the year).

An amendment to the Articles of Association becomes effective upon its registration with the National Court Register. The responsibility for registration of any such amendments lies with the Company's Management Board. The Management Board is obliged to file an amendment to the Articles of Association within 3 months after adoption of relevant resolution. If the given amendment to the Articles of Association consists in increase in the Company's share capital, it may be filed within 6 months of resolving to increase the Company's share capital, and in the event that the consent has been granted to the introduction of a new issue to public trading – within 6 months of the date of such consent being granted, provided that the application for granting of the same is filed no later than four months after resolving to increase the Company's share capital. Resolution on reduction of the share capital should be filed with the National Court Register no later than 6 months after adoption of the same.

While filing an amendment with the registration Court, the Management Board must include the full consolidated text of the Articles of Association.

DESCRIPTION OF THE MANNER IN WHICH THE GENERAL MEETING ACTS, AS WELL AS OF ITS PRINCIPAL POWERS AND THE MANNER OF EXERCISING THE SAME

General Meeting of Shareholder is the ultimate body of the Company.

The General Meeting acts pursuant to the provisions of the Commercial Companies Code and of the Company's Articles of Association. The Company's Articles of Association provide that the General Meeting of Shareholders may adopt the General Meeting Regulations, which stipulate the principles of its functioning. The Regulations of the General Meeting were adopted in the Company. The Company's Articles of Association and the Regulations of the General Meeting are to be found on the corporate web site at www.boryszew.com.pl.

The General Meeting is convoked by the Management Board. The Supervisory Board may convoke an Ordinary General Meeting in the event that the Management Board should fail to convoke the same at the prescribed time, and an Extraordinary General Meeting where they deem it appropriate. Shareholders representing at least half of the share capital or at least half of all votes in the Company may convoke an Extraordinary Meeting of Shareholders. Shareholders appoint the chairman of the Meeting. A Shareholder or Shareholders representing at least $\frac{1}{20}$ of the share capital may demand convocation of an Extraordinary Meeting of Shareholders and placement of specific matters on the agenda of that Meeting.

The General Meeting convoked by the Management Board as an Ordinary General Meeting takes place once per year, no later than in June. In 2016 the Ordinary General Meeting of Boryszew S.A. took place on 15 June.

The agenda of the General Meeting is determined by the Management Board. A Shareholder or Shareholders representing at least 1/20 (one-twentieth) of the share capital may demand placement of specific matters on the agenda of the next General Meeting. Such request should be submitted to the Management Board no later than twenty-one days prior to the date of the Meeting.

The General Meeting is convoked by way of notification published on the Company's website and in the manner prescribed for passing current information according to the provisions of law. Such notification must be published at least twenty-six days before the date of the General Meeting.

The General Meeting of Shareholders is valid regardless of the number of shares represented and resolutions of the General Meeting are adopted with absolute majority of votes cast, unless the Commercial Companies Code or the Articles of Association provide otherwise.

Pursuant to the Articles of Association of Boryszew S.A., apart from other matters stipulated by the Commercial Companies Code, the following matters require a resolution of the General Meeting of Shareholders:

- considering and approval of the Management Board's report on the Company's activities and financial statements for the previous year,
- adopting a resolution on distribution of profit or covering of loss,
- acknowledgement of fulfilment of duties by member of the Company's governing bodies,
- amending the Company's Articles of Association, including increasing and decreasing the share capital and changing the object of the Company's activities,
- decisions concerning claims to remedy a loss inflicted upon incorporation of the Company or upon exercising management or supervision of the same.
- appointment and dismissal of members of the Supervisory Board,
- determining the principles of remuneration for members of the Supervisory Board and the amount of their remuneration,
- redemption of shares or determining terms of such redemption,
- issue of senior bonds or convertible bonds,
- disposal or lease-out of the enterprise or of an organized part of the same, and establishing a limited right in rem on the same,
- dissolution of the Company and appointment of liquidators,
- establishing the record date for the purposes of dividend and the date of dividend payment.

The General Meeting of Shareholders may resolve to refrain from considering a matter placed on the agenda only for important reasons. Resolutions on removal of a matter from the agenda or on refraining from consideration of any matter placed on the agenda at the request of Shareholders require the majority of 75% of votes cast, provided that those Shareholders present at the General Meeting who petitioned that the matter be placed on the agenda have already granted their consent to removal of the same from the agenda or to refraining from consideration of the same.

All matters raised at the General Meeting are first presented to the Supervisory Board for consideration.

Shareholders participate in the General Meeting in person or by a proxy.

The power of attorney to participate in the General Meeting and to exercise the voting right must be made in writing to be valid.

The power of attorney to participate in the General Meeting of a public corporation and to exercise the voting right must be granted in writing or in an electronic form. Power of attorney granted in an electronic form does not require confirmation with a secure electronic signature having a valid qualified certificate.

A member of the Management Board and an employee of the Company may serve as proxies at the General Meeting of a public corporation.

If a member of the Management Board, a member of the Supervisory Board, a liquidator, an employee of a public corporation, or a member of governing bodies or an employee of a company or a cooperative being a subsidiary of that corporation serves as a proxy at the General Meeting, the power of attorney may authorise such person to participate in only one General Meeting. The proxy is obliged to disclose to the Shareholder any circumstances indicating existence of a possible conflict of interests. Granting of a further power of attorney shall be excluded.

The proxy votes in accordance with instructions given by the Shareholder.

The principles of participation in General Meetings and of exercising the voting rights are regulated by the Rules of the General Meeting of Shareholders of Boryszew S.A.

Voting at the General Meeting of Shareholders is open. A secret ballot is to be ordered at elections of and upon voting upon motions to dismiss members of the Company's governing bodies or liquidators of the Company, or on holding them accountable, as well as in personnel matters. Also, a secret ballot is to be ordered when requested by at least one of the Shareholders present or represented at the General Meeting.

Resolutions of the General Meeting of Shareholders are passed with simple majority of votes, unless provisions of the Commercial Companies Code stipulate otherwise.

As per the practice adopted by the Company, all relevant materials for the General Meeting of Shareholders are made available to the shareholders in accordance with the applicable provisions of the Commercial Companies Code and of the Regulation of the Council of Ministers dated 19 February 2009 on current and periodical information to be provided by issuers of securities and on conditions under which information required by laws of another state, other than a Member State, can be considered equivalent (Journal of Laws no. 33, item 259 of 2009 as amended). Pursuant to the Rules of the Sessions of General Meeting of Shareholders, the Chairperson oversees proper and efficient proceedings of the Meeting. Chairperson of the General Meeting of Shareholders also ensures that rights and interests of all Shareholders are respected. The Chairperson must not resign the position without important reason.

PERSONAL COMPOSITION AND PRINCIPLES OF FUNCTIONING OF MANAGING AND SUPERVISORY BODIES AND THEIR COMMITTEES

SUPERVISORY BOARD

Pursuant to the Company's Articles of Association, the Supervisory Board is composed of at least five members. Members of the Supervisory Board are appointed and dismissed by the General Meeting of Shareholders. Any member of the Supervisory Board whose mandate expired during the Board's term of office must be compulsorily replaced by the Supervisory Board with another person appointed to hold the position. Appointment of members of the Supervisory Board during the Supervisory Board's term of office must be approved by the next General Meeting of Shareholders. Should the General Meeting of Shareholders refuse to approve any of the new members of the Supervisory Board appointed during the Supervisory Board's term of office, the General Meeting will elect a new member of the Supervisory Board to replace the person who was not approved.

The term of office of a member of the Supervisory Board is three years and is common for all members of the Supervisory Board.

The Supervisory Board, on its first meeting, elects its Chairperson, Deputy Chairperson and Secretary from among its members, in secret ballot.

The Supervisory Board exercises continuous supervision over the Company's operation in all fields of its activity. Members of the Supervisory Board when performing their functions have regard to the interests of the Company. The emphasis of the Supervisory Board includes measures to improve the efficiency of management of the Company to obtain maximum financial performance of the Company as well as increase its stock market value and ensure its long-term development.

The tasks of the Supervisory Board include:

- approving annual business plans of the Company and long-term Company's growth plans,
- assessment of the Management Board's report and financial statements for previous financial year in terms of compliance with books, documents and facts as well as proposals of the Management Board on distribution of profit or coverage of loss and submitting annual written report to the General Meeting of Shareholders on the results of the assessment,
- determining the number of the Management Board members, appointing and dismissing any or all Members of the Company's Management Board,
- suspending from service, for important reasons, of any or all Members of the Company's Management Board
- determining the remuneration for Management Board members,
- delegating Members of the Supervisory Board, for a period not longer than three months, to temporarily perform duties of Members of the Management Board who have been dismissed, resigned or are unable to perform their duties for other reasons.
- selecting statutory auditors for conducting the audit of the financial statements,
- approving proposals of the Management Board to establish and discontinue branches and other organized units of the Company,
- approving acquisition and disposal of real estate property, perpetual usufruct or share in real estate,
- approving transactions concerning subscribing to, disposal or acquisition of shares and stocks where the transaction value exceeds 1/20th of the Company's share capital,
- approving acquisition and disposal of fixed assets the value of which exceeds 1/20th of the Company's share capital,
- approving conclusions by the Company of loan, borrowing agreements, grating guarantees and sureties if the value exceeds in each case 1/20th of the Company's share capital,
- adopting the consolidated text of the Company's Articles of Association for internal purposes of the Company,
- approving draft resolutions submitted by the Management Board to the General Meeting of Shareholders,
- determining the issue price of new shares approving proposals of the Management Board on concluding an agreement with a sub-issuer,
- adoption of the Regulations of Management Board and Company's Organizational Rules,

The Supervisory Board holds its meetings as required, but not less than three times a year. Meetings of the Supervisory Board are convened by its Chairman on his or her own initiative or at the request of the authorised parties. Should a meeting be requested by the Management Board or a member of the Supervisory Board, the Chairman of the Supervisory Board is obliged to convene a meeting within two weeks of receipt of such request. If the Chairman fails to convene a meeting of the Supervisory Board the applicant may convene such independently specifying the date, time and proposed agenda.

Validity of resolutions of the Supervisory Board requires proper notice of the meeting of all the members of the Supervisory Board and presence of at least half of the members of the Supervisory Board, including the Chairman or Vice-Chairman.

The agenda of the meeting of the Supervisory Board is determined 5 days before the scheduled date of the meeting and approved by the Chairman and then submitted to the members of the Supervisory Board along with other materials, unless extraordinary circumstances exist justifying shortening of this period. The agenda may be amended or supplemented if all members of the Supervisory Board are present and express consent.

In emergency, the Chairman of the Supervisory Board may order another way to notify members of the Board on the date of the meeting.

In order to enable the Supervisory Board to exercise constant supervision over the Company, the Management Board provides basic financial information on the Company and Boryszew Capital Group as well as information on any events that could significantly affect the results of operations or the state of the Company's assets.

Management Board members are invited to attend meetings of the Supervisory Board and in the case of discussing matters concerning them directly, in particular: removal, responsibilities and remuneration of the Management Board Members, Supervisory Board meetings held without participation of the Management Board members. Meetings of the Supervisory Board may also be held without formal convocation if all members of the Supervisory Board were notified and agree to hold a meeting and include specific items on the agenda. The Supervisory Board adopts resolutions only on matters included in the agenda. The Chairman administers and leads the work of the Supervisory Board and represents it to other bodies of the Company and other parties.

At each meeting of the Supervisory Board the Management Board reports on all relevant matters associated with Company's operations. In urgent matters the members of the Supervisory Board are notified by the Management Board by circulation. The President may, on their own initiative or upon a written motion of Management Board or members of the Supervisory Board, invite other persons to the meeting, in particular employees of the Company, who are responsible for the issues discussed.

The Supervisory Board may - without prejudice to the competences of other bodies of the Company - express opinions on all matters of the Company, including motions and proposals to the Management Board, which, in such case, is obliged to submit to the Chairman information on the intended use of these motions and proposals within twenty one days from the date of submission.

Members of the Supervisory Board may exercise their rights and carry out their duties in person.

Supervisory Board resolutions are adopted by an absolute majority of votes, i.e. with the number of votes exceeding half of valid votes when at least half of the Supervisory Board members are presents and all members were invited. In the event of a tie in the voting the Chairman has the casting vote.

The Supervisory Board may pass resolutions in writing or using direct means of distance communication. The resolution is valid if all member of the Supervisory Board have been notified of the contents of the draft resolution. Members of the Supervisory Board may participate in adopting resolutions by casting their votes in writing, acting through another Member of the Supervisory Board who attends the meeting.

The procedure of casting a vote in writing cannot be applied with respect to matters added to the agenda in the course of the given meeting of the Supervisory Board. The voting is open.

A secret ballot is ordered for elections and dismissal of the Chairman, Vice Chairman or Secretary of the Board as well as on appointment and dismissal of members of the Management Board and on suspending duties, for important reasons, of individual members or the entire Management Board, and also at the request of any member of the Board, participating in the meeting.

Meetings of the Supervisory Board are minuted. The minutes are to be signed by all members present during the meeting. List of attendance at the meeting is attached to the minutes.

The administrative and technical support for the Supervisory Board is provided by the Management Board, by appointing from employees of the Company the person directly responsible for handling and documentation of meetings of the Board.

Members of the Management Board must notify the Supervisory Board on any existing conflict of interest resulting from their performed functions. Statement format is determined by the Regulations of the Supervisory Board.

Remuneration of the members of the Supervisory Board is determined by the General Meeting, subject to the remuneration of Supervisory Board members, delegated to temporarily perform the duties of a member of the Management Board, being determined by resolution of the Supervisory Board.

The total remuneration of all members of the Supervisory Board, as well as each of individual members of the Board, is disclosed in the annual report.

Detailed principles of operation of the Supervisory Board are determined in the Rules for Supervisory Board of Boryszew S.A.

Supervisory Board Committees

The Audit Committee or the Remuneration Committee were not extracted from the structure of the Supervisory Board. In accordance with the resolution of the General Meeting of Shareholders of Boryszew S.A. no. 20/2011 of June 7 2011, during the period when the Supervisory Board of Boryszew S.A. consists of no more than 5 members, its task is entrusted to the Audit Committee.

The statutory tasks in this regard include, in particular:

- monitoring of the financial statement process;
- monitoring of the effectiveness of the internal control systems, internal audit and risk management;
- monitoring of the execution of audit activities;
- monitoring of the independence of the statutory auditor and the entity authorised to audit financial statements, including in the case of the provision of services referred to in article 48 (2) of the Act on statutory auditors (...), such as e.g. service of accounting books and tax books keeping, tax consultancy.

In addition, while carrying out the tasks of the Audit Committee, the Supervisory Board is aware of the written information of the entity authorized to audit financial statements of significant issues related to auditing activities, including in particular significant irregularities in the entity's internal control system with regard to financial statements, threats of independence of the entity entitled to audit financial statements and actions taken to reduce these risks.

CHANGES IN THE COMPOSITION OF THE SUPERVISORY BOARD

SUPERVISORY BOARD OF BORYSZEW S.A.

As at 1 January 2016, the composition of the Supervisory Board was as follows:

Mr Janusz Siemieniec – Chairman of the Supervisory Board

Mr Arkadiusz Krężel – Deputy Chairman of the Supervisory Board

Mr Mirosław Kutnik – Secretary of the Supervisory Board

Mr Jan Bogolubow – Member of the Supervisory Board

Ms Małgorzata Waldowska – Member of the Supervisory Board.

On 14 June 2016, Mr Jan Bogolubow resigned from his function as a Member of the Supervisory Board. Furthermore, on 15 June 2016 the Ordinary General Meeting of Boryszew S.A appointed Mr Piotr Lisiecki from the Supervisory Board.

As at 31 December 2016 until the date of approval of this report for publication, the composition of the Supervisory Board was follows:

Mr Janusz Siemieniec - Chairman of the Supervisory Board

Mr Arkadiusz Krężel - Vice-Chairman of the Supervisory Board

Mr Mirosław Kutnik – Secretary of the Supervisory Board
Mr Piotr Lisiecki – Member of the Supervisory Board
Ms Małgorzata Waldowska - Member of the Supervisory Board.

CVs OF MEMBERS OF THE SUPERVISORY BOARD OF BORYSZEW S.A.:

JANUSZ SIEMIENIEC - CHAIRMAN OF THE SUPERVISORY BOARD BORYSZEW S.A.

Member of the Supervisory Board of Boryszew S.A. since 2014.

Mr Janusz Siemieniec is a graduate from Wrocław University of Technology - Faculty of Electrical Engineering. He completed training courses at the French Institute of Management (IGF) in management of enterprises and training courses for members of management and supervisory boards of commercial companies, organized by the Ministry of Treasury.

In 1981 - 1990 he worked on management positions in the energy and mining industry.

In 1990 - 2000 he was employed as director of KWK Nowa Ruda in Nowa Ruda and Chairman of the Supervisory Board of Węgłozbyt SA.

In 2000 - 2006 he served as President of the Management Board for Restrukturyzacji Kopalń SA in Katowice, member of the Supervisory Board of Kopex SA.

In 2006 - 2013 he managed investment projects in renewable energy sector, member of management board of investment companies NordWind sp. z o.o., NordEnergy sp. z o.o.

Since 2014, he has been Vice-President on Operating Issues in Alchemia S.A.

Mr. Janusz Siemieniec is a member of the Supervisory Board of Hutmen S.A.

ARKADIUSZ KRĘŻEL – VICE CHAIRMAN OF THE SUPERVISORY BOARD BORYSZEW S.A.

Arkadiusz Krężel was appointed to the Supervisory Board of Boryszew S.A. in 2006.

He graduated from the Silesian University of Technology in Gliwice, majoring in Automation and Electrification of Mining.

In 1981 - 1992 he worked for "Kazimierz – Juliusz" Coal Mine in Sosnowiec.

In 1992 - 2006 he served as President of the Industrial Development Agency S.A.

In 1981 - 1992 he worked for "Kazimierz – Juliusz" Coal Mine in Sosnowiec.

Since 1991, he has served on Supervisory Boards of a number of companies from different industries, including: Państwowa Agencja Węgla Kamiennego S.A., Polski Bank Rozwoju S.A., Polskie Koleje Państwowe S.A., PLIVA Kraków Zakłady Farmaceutyczne S.A., Centrala Zaopatrzenia Hutnictwa S.A.. He is a member of the Management Board of the Franco - Polish Chamber of Commerce in Paris and Polish - Japanese Economic Committee.

MR MIROSLAW KUTNIK – SECRETARY OF THE SUPERVISORY BOARD BORYSZEW S.A.

Member of the Supervisory Board of Boryszew S.A. since 2011.

Mr Mirosław Kutnik graduated in 1989 from the Faculty of Law at the Nicolaus Copernicus University in Toruń, earning his master's degree in law. In 1994 he was entered in the list of legal advisers under TR - 467 of the District Chamber of Legal Advisers in Toruń.

In 1995 - 2005 was ran a General Counsel Practice in Toruń, and since 2005 he has been the Managing Partner of "Kutnik, Kalinowski and Partners" in Toruń.

Since 2005 he has been an advisor to the President of the Confederation of Polish Employers for the promotion of employment and vocational and social rehabilitation of persons with disabilities. Furthermore, he is an expert of the Tripartite Commission for the amendment of legislation on professional rehabilitation and employment of disabled persons.

Since 2002 he sits on boards of public companies.

Mr Mirosław Kutnik in an expert in tax law, constitutional law, aid law. He was an attorney in a number of proceedings before the Constitutional Court.

PIOTR LISIECKI – MEMBER OF THE SUPERVISORY BOARD BORYSZEW S.A.

Member of the Supervisory Board of Boryszew S.A. since 15 June 2016.

Mr. Piotr Lisiecki is a graduate of the Nicolaus Copernicus University in Toruń, Faculty of Physics and Astronomy. He was a scholarship holder of the University of Leeds and graduated from postgraduate course on the Poznań University of Economics, Faculty of Management and Marketing.

From August 1999 to June 2000, he worked in AIB Bank in Dublin under secondment.

From July 1995 to August 2010, he worked in BZ WBK S.A. (formerly WBK S.A.), where his career involved IT Systems Administrator, Team Manager, Branch Manager for the Director of the Companies Banking Centre.

From September 2010 to April 2012, he was the Managing Director of the Department of Corporate Banking Centres in Kredyt Bank S.A.

From April 2012 to May 2013, he held the position of Director in the Department of Corporate Clients in DZ Bank S.A.

From June 2013 to March 2016, Mr. Piotr Lisiecki worked at Bank Ochrony Środowiska S.A. where firstly he was Managing Director of the Corporate Sales Department and then Vice-President of the Management Board of Bank Ochrony Środowiska S.A.

MAŁGORZATA WALDOWSKA – MEMBER OF THE SUPERVISORY BOARD BORYSZEW S.A.

Member of the Supervisory Board of Boryszew S.A. since 2015.

Ms Małgorzata Waldowska graduated from the Law and Administration Faculty of Nicolaus Copernicus University in Toruń.

Since 2012 she has held of office of the President of Management Board for Przedsiębiorstwo Badań Geofizycznych Sp. z o.o. based in Warsaw. In recent years she was temporarily the President of the Management Board for NFI Krezus S.A., Taleja Sp. z o.o. and Nova Capital Sp. z o.o. and a Member of the Supervisory Board for NPA Skawina Sp. z o.o., Krezus S.A.

Today Ms Małgorzata Waldowska is a member of the Supervisory Board for: Hutmen S.A. Eastside-Bis Sp. Z o.o. and Skotan S.A.

MANAGEMENT BOARD OF THE COMPANY

Pursuant to the Company's Articles of Association of Boryszew S.A., the Company's Management Board is composed of one to five persons, including: President of the Management Board, up to two Vice-Presidents and members of the Management Board.

The term of office of the Management Board is three years and is common for all members of the Management Board.

The Management Board, under the chair of the President, manages the Company's affairs and represents the Company.

The Board is responsible for the fair conduct of the Company's affairs and implementation of its statutory functions, in accordance with law and good practice.

All matters that are not reserved for the competence of the General Meeting of Stockholders and the Supervisory Board fall within the competence of the Management Board. The Management Board prepares the strategy of the Company and is responsible for its implementation and execution. The strategy is subject to approval by the Supervisory Board. The Management Board of the Company carefully analyses all actions and decisions.

A resolution of the Management Board is required in matters falling beyond the scope of ordinary management, in particular on:

- incurring loans,
- issuing sureties and guarantees

- disposal and acquisition of fixed assets,
- approval for publication of midyear and annual Management Board's reports on the activities of the Company and of the Capital Group, as well as financial statements of the Company and consolidated statements of the Capital Group,
- proposals for profit distribution or loss coverage,
- adoption of the growth programme for the Company and for the Capital Group,
- adoption of the budget of the Company and of the Capital Group,
- establishing of proxies,
- appointing, on the basis of civil law, representatives to perform certain tasks within the limits of their authorisation (with the exception of one-time power of attorney to perform certain legal actions and powers of attorney to sign the papers and documents that do not result in incurring liabilities by the Company or disposing property rights of the Company as well as power of attorney ad litem)
- approving the remuneration system and work regulations based on agreements with the trade unions,
- taking a position on issues commissioned by the Supervisory Board in the form of a resolution.

Subject to the current acquisition of own shares, the Management Board has no other individual entitlements within the acquisition of own shares. In addition, the Management Board has no entitlement within the decision on the issuance of shares.

The Board recommends to the Supervisory Board the appointment of an auditor, upon analysis of the tenders submitted.

Authorized to make declaration of will and sign documents on behalf of the Company are: the President of the Management Board acting independently or two members of the Management Board acting jointly, or a member of the Management Board acting jointly with a commercial proxy.

The Management Board convenes on as-needed basis. Management Board meeting can be participated by employees of the Company or other persons, competent for the matters discussed.

Statutory functions of the Management Board are implemented in the form of:

- resolutions passed during the meetings of the Management Board,
- motions to the Supervisory Board, General Meeting of Shareholders or court,
- declarations of will,
- implementing resolutions of the Supervisory Board and the General Meeting of Shareholders.

Resolutions of the Management Board are adopted by an absolute majority of votes. In case of a tied vote, the President has the casting vote.

A member of the Management Board, absent during a meeting, shall acknowledge and follow, on the first day at work after absence, resolutions passed during his or her absence, confirming it with a signature on the original copy of the minutes.

Meetings of the Management Board are minuted and signed by members of the Management Board present during the meeting.

Members of the Management Board must notify the Supervisory Board on any existing or potential conflict of interest resulting from their performed functions.

The principles of remuneration of the Management Board members are determined by the Supervisory Board of the Company, considering the responsibilities and function as well as the economic and financial situation of the Company.

The aggregate remuneration of all members of the Management Board and of individual members of the Management Board, with details on individual elements of remuneration, is disclosed in the annual report.

The Management Board makes every effort to ensure that the Company conducts an effective economic activity, respecting the interests of all groups of shareholders and other groups associated with the Company's interest.

CHANGES IN THE COMPOSITION OF THE MANAGEMENT BOARD

As at 1 January 2016, the composition of the Management Board of the Company was as follows:

Mr Piotr Szeliga – President of the Management Board, CEO,

Mr Mikołaj Budzanowski – Member of the Management Board, Director for Development,

Mr Cezary Pyszkowski – Member of the Management Board, Director for Automotive Sector Development.

On 6 September 2016, the Supervisory Board decided to extend the composition of the Management Board since 1 October 2016, and that day it appointed Mr. Jarosław Michniuk as President of the Management Board, General Director, and Mr. Aleksander Baryś as Member of the Management Board, Financial Director.

At the same time, the Supervisory Board entrusted Mr. Piotr Szeliga, hitherto President of the Management Board, the duties of Member of the Management Board, Director of Metals Segment, from 1 October 2016.

As at 31 December 2016 until the date of approving this report for publication the composition of the Supervisory Board was follows:

Mr Jarosław Michniuk – President of the Management Board, CEO,

Mr Aleksander Baryś – Member of the Management Board, Chief Financial Officer,

Mr Mikołaj Budzanowski – Member of the Management Board, Director for Development.

Mr Cezary Pyszkowski – Member of the Management Board, Director for Automotive Sector Development.

Mr Piotr Szeliga – Member of the Management Board, Director of Metals Segment.

CVs OF MEMBERS OF BORYSZEW S.A. MANAGEMENT BOARD

JAROSŁAW MICHNIUK – PRESIDENT OF THE MANAGEMENT BOARD OF BORYSZEW S.A.

President of the Management Board, CEO of Boryszew S.A. from 1 October 2016.

Mr. Jarosław Michniuk graduated from the Warsaw University of Technology, Faculty of Mechanical Engineering with a specialization in plastic processing, obtaining a master's degree in engineering.

From 1982 to 1984, he worked as an engineer of processes in Polskie Nagrania;

From 1985 to 1989, he was a researcher and technologist in the Institute of Electron Technologies in Warsaw;

From 1988 to 1989, Chief Technologist in the Plant of Specialised Electronic Systems in Toruń.

In 1990, the technical and trade advisor, representing Plaskon from Rohm and Haas group in Central and Eastern Europe.

In 1991, a 20-year cooperation with BASF was started; a career path from the position of sales representative, product manager, then the Director and Member of the Management Board of BASF Polska, responsible for sales of BASF and Basell plastics in Poland.

From 2001-2004, BASF, the position of Regional Director of Selling of styrene plastics in Central and Eastern Europe;

2004 – 2008, BASF, Director of Marketing in Europe (Germany), then: acting as Vice-President of the Group in North America (Mexico);

2008-2011, BASF, the position of Senior Vice-president of styrene plastics in Europe, Africa and the Middle East.

From July 2011 to August 2016, President of the Management Board of Selena FM S.A., the parent unit of Selena Group, a global producer of construction chemicals with its registered office in Wrocław.

ALEKSANDER BARYŚ – MEMBER OF THE MANAGEMENT

Member of the Management Board, CEO of Boryszew S.A. since 1 October 2016.

Mr. Aleksander Baryś graduated from the Warsaw School of Economics (Finance and Banking), and obtained a master's degree in economics; in addition, he studied at the University of Mannheim (Germany). Since 2008, he has had the CFA title (Chartered Financial Analyst), is a member of the CFA Society of Poland.

From 2003 to 2008, he worked in companies of Grupa Kapitałowa PKN ORLEN (financial controller in Basell Orlen Polyolefins Sp. z o.o. and Deputy Director of Unipetrol in PKN ORLEN S.A.).

In the years 2009-2016, related CIECH Group, positions: Head of Financial and Accounting Division in CIECH S.A. (2009-2014), President of the management boards of the companies of CIECH Soda Deutschland (2014-2016), Director of Group Management Office in CIECH S.A. (2016), and a member of the supervisory boards of the companies of CIECH Group.

Mr. Aleksander Baryś was also a member of the Supervisory Board of Magellan S.A. and a member of the Supervisory Board of Elemental Holding S.A.

MIKOŁAJ BUDZANOWSKI – MEMBER OF THE MANAGEMENT

Member of the Management Board, Director of Development of Boryszew S.A. since 26 July 2013.

Mr Mikołaj Budzanowski is a graduate of the Jagiellonian University. In 2004 he received the degree of Doctor of Humanities.

He was a listener at Stanford Executive Institute, Stanford University (Management Science and Engineering) and received scholarship from the Japanese Sasakawa Foundation (Nippon Foundation), Deutsch Akademischer Austausch Dienst (DAAD).

From July 2004 to December 2007, he was an adviser to the Polish delegation to the European Parliament in Brussels.

In 2008 he served as Director of the Department of Climate Change in the Ministry of Environment.

In 2008 - 2009 - Director in the Ministry of State Treasury, supervising strategic companies in the oil and gas sector. He was responsible for, inter alia, preparation of special act for the construction of the LNG terminal in Świnoujście and associated investments.

Between 2009 and 2011 – Vice-Minister for State Treasury.

In 2011 - 2013 - Minister of Treasury, responsible for overseeing strategic companies in the oil and gas sector and diversification projects, including construction of the LNG terminal in Świnoujście, shale gas exploration and development of infrastructure for exploitation and transmission of energy resources. Initiator of new energy and mining projects in Poland. Responsible for the integration of the chemical sector around Azoty Group. He oversaw and completed the process of price negotiations for the Yamal contract in 2012.

CEZARY PYSZKOWSKI – MEMBER OF THE MANAGEMENT BOARD

Member of the Management Board, Director of Automotive Sector Development of Boryszew S.A. since 1 January 2015.

Mr Cezary Pyszkowski holds the title of Master of Arts in Economics of Szczecin University. He graduate a post graduate programme at SGH in Warsaw. He is also a bachelor of Zachodniopomorska Szkoła Biznesu. He also studied at Banking and Management Academy, Bocconi University, Milano.

Mr Cezary Pyszkowski has years of experience in investment banking. In 2008 - 2014 he worked for UniCredit CAIB Poland SA, where he held several leadership positions, and where from 2012 he worked as Managing Director, Corporate & Investment Banking. Before that he was employed by CDM Pekao S.A. (2008 – 1997) and by Pomorski Bank Kredytowy S.A. (1997 – 1995).

PIOTR SZELIGA – MEMBER OF THE MANAGEMENT BOARD

Member of the Management Board, Director of Metals Segment of Boryszew S.A. since 1 October 2016.

Mr Piotr Szeliga is a graduate the Cracow University of Economics in Cracow and Stockholm University/Stockholm International Banking Institute. A certified auditor (registered under No. 10363) and holder of the ACCA Diploma in International Financial Reporting.

In 1996 - 2000 he was employed in Arthur Andersen Sp. Ltd., most recently as Experienced Senior Consultant - Project Manager.

Between 2000 and 2003 he held the position of Financial Controller for ce-market.com.

Between 2003 and 2012 he was employed with Impexmetal S.A. in turn as: Finance Director for Planning and Development of the Capital Group, Accounting Director; acting CFO as well as CFO and Management Board member In September 2007 he was appointed the President of the Management Board, General Manager of Impexmetal S.A.

He has been employed by Boryszew since 2006, in functions such as Accounting Director, acting CFO and Management Control Advisor.

Mr Piotr Szeliga performs supervisory duties in companies of Boryszew Capital Group: Impexmetal, S.A., Hutmen S.A., HMN Szopienice S.A. w likwidacji, ZM Silesia S.A., Baterpol S.A., FŁT Polska Spółka z o.o., Eastside – Bis Sp. z o.o.

DESCRIPTION OF THE DIVERSITY POLICY

The company did not develop a formal document containing the description used by the company in relation to the authorities of the company and its key managers. The selection of members of the Management Board and key managers in the Company is based on the experience, qualifications and competences of the candidates in accordance with the applicable laws on equal treatment of employees. The company strives to ensure diversity in terms of gender, education, age and professional experience for all of its employees, with particular reference to the authority of the company and its key managers.

On the Company's website: www.boryszew.com.pl all corporate documents of the Company and current and periodic information can be found.

The Company also runs its website in English.

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD OF BORYSZEW S.A.

Jarosław Michniuk – President of the Management Board

Aleksander Baryś – Member of the Management Board

Mikołaj Budzanowski – Member of the Management Board

Cezary Pyszkowski – Member of the Management Board

Piotr Szeliga – Member of the Management Board
