

## 7. STATEMENT OF THE MANAGEMENT BOARD OF STALEXPORT AUTOSTRADY ON THE COMPANY'S COMPLIANCE WITH CORPORATE GOVERNANCE RULES

### 7.1. INTRODUCTION

In compliance with the obligation stipulated in §91(5)(4) of the Ordinance concerning current and periodic information, the Management Board of Stalexport Autostrady publishes this statement of compliance by the Company's application of the corporate governance rules specified in the DPSN 2016 collection in the period from 1 January until 31 December 2017.

### 7.2. CORPORATE GOVERNANCE RULES THE COMPANY IS SUBJECT TO AND THEIR PUBLIC AVAILABILITY

The Management Board of Stalexport Autostrady declares that the corporate governance rules the Company was subject to in 2017, i.e. the DPSN 2016, are publicly available on the following web pages:

- of the Warsaw Stock Exchange ([www.corp-gov.gpw.pl](http://www.corp-gov.gpw.pl));
- of the Polish Association of Stock Exchange Issuers ([www.seg.org.pl](http://www.seg.org.pl));
- of the Company ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

### 7.3. INFORMATION ON THE EXTENT TO WHICH THE COMPANY DEPARTED FROM THE PROVISIONS OF THE ABOVE-MENTIONED CORPORATE GOVERNANCE RULES, IDENTIFICATION OF THESE PROVISIONS AND EXPLANATION OF THE REASONS

Pursuant to §29(3) of the rules of Giełda Papierów Wartościowych w Warszawie S.A. [Warsaw Stock Exchange], Stalexport Autostrady submitted, on 8 January 2016, report no. 1/2016, via the Electronic Information Database (EBI), concerning the non-observance of specific rules included in the DPSN 2016 collection.

According to the said report by Stalexport Autostrady, the Company did not observe 3 recommendations: VI.R.1., VI.R.2., VI.R.3. as well as 4 specific rules: I.Z.1.9., II.Z.8., III.Z.3., VI.Z.1.; however, recommendation VI.R.3 and rule II.Z.8 were observed from 20 May 2016. The rules from which the Company departed are presented in the table below, with an explanation of the reasons.

**TABLE 7**  
**Rules from which the Company departed with an explanation of the reasons**

Rule no.	Rule contents	Reasons for the Company's departure from observance of the rule
I.Z.1.9	Information on dividend planned and on the dividend paid by the company in the period of the last 5 financial years, including data concerning the record date, the payment dates and the dividend amounts: in total and per share.	In the last 5 financial years, Stalexport Autostrady S.A. did not pay any dividend. As far as planned dividend is concerned, the Company does not intend to observe that rule, due to the fact that the planning of dividend of significant value by Stalexport Autostrady depends on whether its subsidiary, i.e. Stalexport Autostrada Małopolska S.A., obtains consent from the banks financing that company's activity (on a project finance basis) to the payment of dividend by SAM.
III.Z.3.	The rules of independence set forth in generally recognised, international standards of professional practice for internal audit, apply to the person in charge of the internal audit function and to the other persons responsible for the performance of its tasks.	This rule is not observed, except the function of compliance supervision, for which a Compliance Officer was appointed at the Company.
VI.Z.1.	The incentive programmes should be structured in such a way as to make sure, among other things, that the level of remuneration of members of the company's management board and of its key managers depends on the actual, long-term financial position of the company and on the long-term increase of value for shareholders and stability of the enterprise's functioning.	The Company has appropriate incentive programmes (long-term programmes) in place for the Management Board members. The Company did not introduce a similar incentive programme, however, for key managers not being members of the Management Board.

Source: The Company's own compilation

#### 7.4. DESCRIPTION OF THE BASIC ATTRIBUTES OF THE COMPANY'S SYSTEMS OF INTERNAL CONTROL AND RISK MANAGEMENT AS REGARDS DRAWING UP OF THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

The Management Board of Stalexport Autostrady is responsible for the system of internal control and its effectiveness. The system of internal control and risk management with regard to the process of drawing up of the financial statements involves the procedures for the drawing up and approval of financial statements in force in Stalexport Autostrady. The system makes it possible to monitor the liabilities and to control the costs and the achieved results on a systematic basis. The financial data constituting the basis for the financial statements and for the periodic reports come from the accounting and financial system IMPULS in which documents are recorded in line with the Company's accounting policy based on the International Accounting Standards.

The financial statements are drawn up by the financial and accounting staff under the control of the Company's Chief Accountant and they are subsequently verified by the Vice-President of the Management Board – CFO in cooperation with the Finance Management Director and their final contents are approved by the Management Board by way of a resolution.

The financial statements approved by the Management Board are audited by a statutory auditor selected by the Supervisory Board of the Company. Subsequently, pursuant to § 18(2)(1) of the Company's Statutes, the Supervisory Board, following the recommendation of the Audit Committee, verifies each year whether the audited financial statements of the Company and of the Group are consistent with the books and documents and whether they reflect the real situation, and notifies the shareholders of the results of this verification in its annual report.

The Company systematically monitors changes required under external laws and regulations concerning the stock exchange reporting requirements and prepares to implement them suitably in advance.

#### 7.5. SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY SIGNIFICANT BLOCKS OF SHARES AND THE NUMBER OF SHARES HELD BY THESE SHAREHOLDERS, THEIR PERCENTAGE SHARE IN THE SHARE CAPITAL, THE NUMBER OF VOTES RELATED TO THESE SHARES AND THEIR PERCENTAGE SHARE IN THE TOTAL NUMBER OF VOTES AT THE GENERAL MEETING OF THE COMPANY

The shareholders holding, according to the best knowledge of the Company, at least 5% of the total number of votes at the Stalexport Autostrady's General Meeting as at 31 December 2017 and as at the date of this Report are listed in the table no. 8.

**TABLE 8**

**List of Stalexport Autostrady's shareholders holding significant blocks of the Company's shares (as at 31 December 2017 and as at the date of this Report)**

Name of person/entity	Number of ordinary bearer shares [units]	Share in the share capital [%]	Number of votes at the General Meeting [units]	Share in the total number of votes at the General Meeting [%]
Atlantia	151.323.463	61,20%	151.323.463	61,20%

Source: The Company's own compilation based on notifications received by the Company from shareholders pursuant to Articles 69 and 69a in relation to Article 87 of the Act on Public Offering, on the Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies

## 7.6. HOLDERS OF ANY SECURITIES GIVING SPECIAL CONTROL RIGHTS AND A DESCRIPTION OF THESE RIGHTS

No shares of Stalexport Autostrady provide shareholders with special control rights towards the Company.

## 7.7. INFORMATION ON ALL LIMITATIONS REGARDING EXERCISING THE VOTING RIGHT, SUCH AS LIMITATION OF EXERCISING THE VOTING RIGHT BY THE HOLDERS OF A SPECIFIED PART OR NUMBER OF VOTES, TIME LIMITATIONS REGARDING EXERCISING THE VOTING RIGHTS OR PROVISIONS UNDER WHICH, WITH THE COOPERATION OF THE COMPANY, THE CAPITAL RIGHTS RELATED TO THE SECURITIES ARE SEPARATED FROM THE HOLDING OF THE SECURITIES

The shares of Stalexport Autostrady are not subject to any limitations as far as exercising the right to vote related to the shares is concerned.

## 7.8. INFORMATION ON ALL LIMITATIONS REGARDING TRANSFERRING THE OWNERSHIP RIGHTS TO THE COMPANY'S SECURITIES

The shares of Stalexport Autostrady are not subject to any limitations as far as the transfer of the ownership right is concerned.

## 7.9. DESCRIPTION OF THE RULES OF APPOINTING AND DISMISSING MANAGING PERSONS AND THEIR RIGHTS, IN PARTICULAR THE RIGHT TO DECIDE ON THE ISSUANCE OR BUYBACK OF SHARES

Pursuant to §10 of the Company's Statutes, the Management Board is composed of 1 to 3 persons. The President of the Management Board is appointed by the Supervisory Board and other members of the Management Board are appointed by the Supervisory Board at the request of the President of the Management Board.

The powers of the Management Board are specified in the Statutes of the Company, Regulations of the Management Board issued on the basis of these Statutes, the Code of Commercial Companies and other generally applicable laws. The Statutes of Stalexport Autostrady and the Regulations of the Management are available on the corporate web page of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

## 7.10. DESCRIPTION OF THE RULES OF AMENDING THE STATUTES OR ARTICLES OF ASSOCIATION OF THE COMPANY

Amendments to the Statutes of the Company are made in accordance with the rules specified in the Code of Commercial Companies. The Statutes do not stipulate otherwise in this respect, except for §5(2) which concerns material change of the objects of the Company. In such a case, the Statutes do not stipulate the necessity to buy out the shareholders that do not agree to the amendment.

## 7.11. THE GENERAL MEETING'S RULES OF PROCEDURE AND ITS BASIC POWERS AND THE DESCRIPTION OF THE RIGHTS OF SHAREHOLDERS AND THE WAY OF EXERCISING THESE RIGHTS, IN PARTICULAR THE RULES STIPULATED IN THE REGULATIONS OF THE GENERAL MEETING IF SUCH REGULATIONS WERE ADOPTED, UNLESS INFORMATION IN THIS RESPECT RESULTS DIRECTLY FROM THE LAW

The General Meetings of Stalexport Autostrady are held in line with the rules stipulated in the Code of Commercial Companies, the Statutes and the Regulations of the General Meeting, and these rules do not differ from the rules which are applied by other GPW listed companies. In particular, apart from the shareholders, the members of the Management Board and the Supervisory Board of the Company as well as guests, including experts invited by the body convening the General Meeting, may attend the General Meeting. A representative of the statutory auditor of the Company attends the General Meetings whose agenda comprises financial matters of the Company and provides explanations during such Meetings.

General Meetings are convened in the manner and according to the rules stipulated in the generally applicable regulations. This means that the notice convening the General Meeting is published on the web page of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)) not later than 26 days before the date of the general meeting. Moreover, in accordance with §38 of the Ordinance on current and periodic information, the Company provides, in the form of a current report, all the information related to the convening of the General Meeting, required by that regulation.

The shareholders holding shares of Stalexport Autostrady on the 16<sup>th</sup> day before the date of the General Meeting, which is the record date, are entitled to take part in the General Meeting. The basis for permitting a shareholder to attend the General Meeting is the placement of that shareholder on the list made available to the Company by Krajowy Depozyt Papierów Wartościowych S.A. not later than one week before the date of the General Meeting.

The General Meetings are held in the Company's registered office or in Katowice and the specific rules of procedure are specified for them in the Regulations of the General Meeting of Stalexport Autostrady. The Regulations of the General Meeting currently in force are available on the corporate web page of Stalexport Autostrady and they take into account the new rules for the organisation of the General Meetings of public (listed) joint stock companies, which were introduced on 3 August 2009 by the amendment to the Code of Commercial Companies of 5 December 2008 (Dz.U. of 2009, No. 2, item 28).

The above-mentioned Regulations specify in particular the scope of rights of shareholders (in relation to the most important right that is exercised by them, i.e. participation in the General Meeting) and the way these rights are exercised, the rules of appointing the Chairman of the General Meeting, the tasks of the Chairman of the General Meeting and his duties, the rules of appointing members of the Returning Committee and its duties. In practice, the Returning Committee is not appointed according to the decision made from time to time by the General Meeting, because the voting is carried out via a computer system of casting and counting the votes, and the printed results of the vote are signed by the Chairman of the General Meeting pursuant to §10a of the Regulations of the General Meetings.

Pursuant to §24 of the Company's Statutes, resolutions of the General Meeting are required in particular in the case of:

- 1) approval, upon review, of the Management Board's Report on the Company's Activities and of the financial statements for the previous financial year;
- 2) distribution of profit/covering of losses;
- 3) acknowledgement of the fulfilment of duties by members of the Management Board and members of the Supervisory Board;
- 4) disposal and lease of the enterprise or of its organised part and establishment of a limited right in rem over them;
- 5) issuing of convertible bonds or senior bonds;
- 6) review and approval of the financial statements of Stalexport Autostrady Group;
- 7) amendment to the Company's Statutes, including change of the objects of the Company, share capital increase or decrease and redemption of shares;
- 8) material change of the objects of the Company;
- 9) dissolution and liquidation of the Company;
- 10) Company's merger, demerger and transformation;
- 11) appointment of members of the Supervisory Board after their number has been determined for the given term of office and their dismissal;
- 12) determination of the remuneration rules for the appointed members of the Supervisory Board.

## 7.12. COMPOSITION AND ITS CHANGES WHICH TOOK PLACE IN THE LAST FINANCIAL YEAR AND DESCRIPTION OF THE ACTIVITY OF THE BODIES MANAGING, SUPERVISING OR ADMINISTERING THE COMPANY AND OF THEIR COMMITTEES

### (i) Management Board

Pursuant to §10 of the Company's Statutes, the Management Board is composed of 1 to 3 persons. The President of the Management Board is appointed by the Supervisory Board, and the other members of the Management Board are appointed by the Supervisory Board at the request of the President of the Management Board. The joint term of office of the Management Board members lasts three consecutive years, and their mandates expire on the day of holding of the General Meeting approving the financial statements for the last full financial year of performance of the function of Management Board member.

In the reporting period (and until the date of preparation of the Report), the composition of the Company's Management Board did not change and was as follows:

- **Emil Wąsacz** – President of the Management Board,
- **Mariusz Serwa** – Vice-President of the Management Board.



**Emil Wąsacz – President  
of the Management Board**



**Mariusz Serwa – Vice-President  
of the Management Board**

### (ii) Supervisory Board

Pursuant to §14 of the Company's Statutes, the Supervisory Board is composed of 5 to 9 persons appointed for a joint term of office of three years. The General Meeting appoints and dismisses members of the Supervisory Board having previously determined their number for the given term of office.

On 14 April 2016, the Ordinary General Meeting of Stalexport Autostrady decided that the Supervisory Board of Stalexport Autostrady of the ninth term (2016–2018) would be composed of seven members and appointed the Supervisory Board for the following term of office with the following members:

1. Nicoló Caffo,
2. Aleksander Galos,
3. Roberto Mengucci,
4. Marco Pace,
5. Stefano Rossi,
6. Massimo Sonogo,
7. Tadeusz Włudyka.

On 20 May 2016, pursuant to §14(4) and §15(1) of the Company's Statutes, the Supervisory Board Members elected:

- Mr Roberto Mengucci as Chairman of the Supervisory Board,
- Mr Aleksander Galos as Deputy Chairman of the Supervisory Board,
- Mr Stefano Rossi as Secretary of the Supervisory Board.

The Company's Supervisory Board continued to be composed of the members listed above until 15 December 2017, because Mr Nicolò Caffo had resigned as member of the Supervisory Board on 23 November 2017, with the resignation taking effect on 15 December 2017.

The Supervisory Board operating in the period from 16 December 2017 until 26 January 2018 was composed of the following persons:

1. Aleksander Galos – Deputy Chairman,
2. Roberto Mengucci – Chairman,
3. Marco Pace,
4. Stefano Rossi – Secretary,
5. Massimo Sonogo,
6. Tadeusz Włudyka.

On 26 January 2018, before proceeding in accordance with the agenda of the Extraordinary General Meeting of Stalexport Autostrady, Mr Tadeusz Włudyka resigned as member of the Supervisory Board.

The Company's Extraordinary General Meeting held on 26 January 2018 decided that the Supervisory Board of Stalexport Autostrady of the ninth term (2016–2018) would continue to be composed of seven members and appointed the following two new members of the Supervisory Board:

1. Tomasz Dobrowolski,
2. Flavio Ferrari.

From that time until the day of preparation of the Report, the Supervisory Board was composed of the following 7 members:

1. Tomasz Dobrowolski,
2. Flavio Ferrari,
3. Aleksander Galos – Deputy Chairman,
4. Roberto Mengucci – Chairman,
5. Marco Pace,
6. Stefano Rossi – Secretary,
7. Massimo Sonogo,



The following committees function within the Supervisory Board: The Remuneration Committee and the Audit Committee, operating as advisory and opinion-forming bodies for the Supervisory Board. Their composition in the reporting period was the following:

**Remuneration Committee (renamed on 16 October 2017, previously literally called "Committee in charge of Remuneration" in Polish).**

- Roberto Mengucci – Chairman,
- Aleksander Galos,
- Tadeusz Włudyka.

**Audit Committee:**

- Aleksander Galos – Chairman,
- Marco Pace,
- Tadeusz Włudyka.

On 30 January 2018, in relation to the resignation of Mr Tadeusz Włudyka as member of the Supervisory Board of Stalexport Autostrady, the Supervisory Board filled the vacancy on the said committees, appointing Mr Tomasz Dobrowolski as their member. From that moment until the date of preparation of the Report, the composition of the said committees of the Supervisory Board was the following.

**Remuneration Committee:**

- Roberto Mengucci – Chairman,
- Tomasz Dobrowolski,
- Aleksander Galos.

**Audit Committee:**

- Aleksander Galos – Chairman,
- Tomasz Dobrowolski,
- Marco Pace.

**Mr Tomasz Dobrowolski and Mr Aleksander Galos meet the criteria of independence envisaged for independent Remuneration Committee members**, as defined by Annex II to Commission Recommendation 2005/162/EC of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, taking into account the guidelines included in the DPSN 2016, **as well as meet the criteria of independence envisaged for independent Audit Committee members**, as defined in Article 129(3) of the Act of 11 May 2017 on statutory auditors, auditing firms and public supervision (Dz.U. of 2017, item 1089), and §3(5) of the Rules of the Audit Committee.

Mr Tadeusz Włudyka also met the above criteria in the period in which he performed his functions on the Supervisory Board of Stalexport Autostrady.

The Supervisory Board operates on the basis of applicable provisions of the law, including the Code of Commercial Companies and the Statutes passed by the General Meeting. Moreover, pursuant to the Company's Statutes, the Supervisory Board adopted its own Regulations, constituting its rules of procedure. It is available on the corporate web page of Stalexport Autostrady ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

The Supervisory Board's committees operate pursuant to the regulations adopted by the Supervisory Board forming Enclosures to the Regulations of the Supervisory Board. They are also available from the corporate web page of the Company ([www.stalexport-autostrady.pl](http://www.stalexport-autostrady.pl)).

**(iii) Proxies**

Pursuant to Article 371 §4 of the Code of Commercial Companies, proxies are appointed by the Management Board. In the reporting period, there were no proxies in the Company.