

RULES OF BEST PRACTICES

STALEXPORT S.A. STATEMENT

In compliance with paragraph 29.3 of the Regulations of the Warsaw Stock Exchange, the Management Board of the Company announces the Best Practices, accepted by the Management Board, the Supervisory Board and the General Meeting of Shareholders for 2006.

Rules of Best Practices			
	RULES OF BEST PRACTICES FOR 2006	YES/ NO	COMMENT of STALEXPORT S A
GENERAL RULES			
I	<p><u>Objective of the Company</u></p> <p>The basic objective of operations of a company's authorities is to further the interest of the company, i.e. to increase the value of the assets entrusted by its shareholders, with consideration to the rights and interests of entities other than shareholders, involved in the functioning of the company, including, in particular, the company's creditors and employees.</p>	Yes	<p><i>The actions of STALEXPORT S.A. authorities are always aimed at welfare and interest of the Company, especially have in mind constant increase in the value of the Company, which takes into account not only the shareholders of the Company but also its creditors and employees.</i></p> <p><i>It is of vital importance in the present situation because STALEXPORT S.A. has been executing the agreement with the creditors. The conclusion of this agreement would not be possible without the confidence which the shareholders and creditors had in the Company.</i></p>
II	<p><u>Majority Rule and Protection of Minority</u></p> <p>A joint-stock company is a capital venture. Therefore, the company must respect the principle of capital majority rule, and the primacy of majority over</p>	Yes	<p><i>The hitherto practice and experience of STALEXPORT S.A., as far as the majority rule and the protection of the minority rights are concerned, shows that the minority shareholders are not limited or discriminated in exercising their rights through the majority</i></p>

	<p>minority. A shareholder who contributed bigger capital also bears a higher economic risk. It is, therefore, justified that his interest be taken into consideration in proportion to the contributed capital. The minority must have a guarantee of proper protection of their rights, within limits set by the law and commercial integrity. While exercising its rights, the majority shareholder should take into account the interests of the minority.</p>		<p><i>shareholders.</i></p>
III	<p><u>Honest Intentions and No-Abuse of Rights</u></p> <p>The exercise of rights and the reliance on legal institutions should be based on honest intentions (good faith) and cannot reach beyond the purpose and economic reasons for which these institutions have been established. No activities should be taken which exceed the limits so set and, thus, constitute an abuse of the law. The minority should be protected against abuse of ownership rights by the majority and the interests of the majority should be protected against abuse by the minority of its rights, thus, ensuring the best protection of equitable interests of the shareholders and other market participants.</p>	<p>Yes</p>	<p><i>In this range the authorities of STALEXPORT S.A. act in good faith and according to law in force, including among others the Commercial companies code and the Act:</i></p> <p><i>On public offering and conditions governing the introduction of financial instruments to organized trading and public companies</i></p> <p><i>The Company secures equal access to the information for all shareholders by publishing all vital information about the Company, corporate and calendar events in current reports and on website.</i></p>
IV	<p><u>Court Control</u></p> <p>The company's authorities and persons chairing a general meeting cannot decide on issues which should be resolved by court judgments. This does not apply to activities which are within the powers of the company's authorities and persons chairing general meetings or which they are obliged to undertake by force of law.</p>	<p>Yes</p>	<p><i>The Company's authorities and persons chairing a general meeting are acting according to the rules in force of the Commercial companies code, the Charter of the Company, and the Regulations of the General Meeting of Shareholders. They undertake only the actions to which they are entitled or obliged by law. They do not settle issues that should be the subject of the judicial decisions.</i></p>
V	<p><u>Independent Opinions Ordered by the Company</u></p>		<p><i>The authorities of the Company while choosing the</i></p>

	When choosing an entity which is to provide expert services, including, in particular, the services of an expert auditor, financial and tax advisory services, as well as legal services, the company should consider whether there exist circumstances limiting the independence of this entity when performing the entrusted tasks.	Yes	<i>expert services consider many criteria, including the independence criterion.</i>
<u>BEST PRACTICES of GENERAL MEETINGS</u>			
1	A general meeting should take place in a location and at a time to allow the participation of as many shareholders as possible.	Yes	<i>The general meetings take place in the seat of the Company, i.e. in Katowice. The Company adopted the following rule: the Ordinary General Meetings are convened in June, in morning hours.</i>
2	A request for convening a general meeting and placing certain issues on its agenda, made by parties entitled to do that, should be justified. Draft resolutions proposed to be adopted by the general meeting and other key documents should be presented to the shareholders along with a justification and an opinion of the supervisory board prior to the general meeting, in advance so as to allow them to review and evaluate the same.	Yes	<i>The Management Board presents the justification of convening a general meeting and of placing certain issues on its agenda. In case a shareholder or shareholders' request to convene a general meeting and to place the certain issues on the agenda, does not comprise the justification, the Management Board will ask for such justification irrespective of fulfilling the duty to convene a general meeting. The drafts of the proposed resolutions to be adopted by a general meeting and other essential materials for general meeting are available to the shareholders on the dates envisaged by law in force.</i>
3	The general meeting convened at the request of shareholders should be held on a date given in the request, and if this date cannot be kept, on the closest date which will allow the general meeting to settle the issues placed on its agenda.	Yes	<i>The Management Board makes efforts so as general meetings convened at the request of shareholders, take place on the dates fixed in the request, unless it is impossible because of the objective causes – then other date is fixed in agreement with the person requesting the general meeting convention.</i>

4	<p>A general meeting whose agenda includes certain issues at the request of authorized entities or which has been convened at such request may be cancelled only upon consent of the requesting parties. In all other instances, a general meeting may be cancelled if its holding is hindered (force majeure) or is obviously groundless. The meeting is called off in the same manner as it has been convened, ensuring as little negative consequences for the company and its shareholders as possible, and in any case no later than three weeks prior to the original date of the meeting. A change in the date of the general meeting is made in the same manner as the cancellation, even if the proposed agenda does not change.</p>	<p>Yes</p>	<p><i>The Company observes the general rule not to change or cancel the dates of general meetings already disclosed unless there are extraordinary or particularly justified circumstances.</i> <i>In case such situation occurs the company will notify the interested parties by sending a current report to WSE and placing an announcement in Judicial and Economic Monitor.</i></p>
5	<p>In order for a representative of a shareholder to participate in a general meeting, his right to act on behalf of the shareholder should be duly documented. It should be presumed that a written document confirming the right to represent a shareholder at a general meeting is in conformity with the law and does not require any additional confirmations and acknowledgement unless its authenticity or validity <i>prima facie</i> raises doubts of the company's management board (upon drawing-up the attendance list) or the chairman of the general meeting.</p>	<p>Yes</p>	<p><i>To participate in a general meeting and to vote only the proxy is required (in writing under clause of nullity) granted by the entitled persons, according to the official copy from the appropriate register, or in case of individuals according to the rules of the Civil Code.</i> <i>While checking the attendance list at a general meeting the Company controls only the a/m documents.</i></p>
6	<p>The general meeting should have regular by-laws setting forth the detailed principles of conducting the meetings and adopting resolutions. The by-laws should contain, in particular, provisions concerning elections, including elections to the supervisory board by voting in separate groups. The by-laws should not be subject to frequent changes; it is</p>	<p>Yes</p>	<p><i>The Company possesses the Regulations of GSM. The latest changes to the Regulations were made by the OGSM on 24.06.2005.</i></p>

	advisable that the changes enter into force as of the subsequent general meeting.		
7	A person opening the general meeting should procure an immediate election of the chairman of the meeting, and should refrain from any substantial or formal decisions.	Yes	<i>The list of persons entitled to open the General Meetings of Shareholders of STALEXPORT S.A. defines the Charter of the Company and the Regulation of GSM. The person opening the General Meeting manages the selection of the Chairman - from among the persons entitled to participate in Meeting. Next he handles over further conducting of the debates of the Meeting to the chairman.</i>
8	The chairman of the general meeting ensures an efficient conduct of the meeting and observance of the rights and interests of all shareholders. The chairman should counteract, in particular, the abuse of rights by the participants of the meeting and should guarantee that the rights of minority shareholders are respected. The chairman should not, without sound reason, resign from his function, or put off the signing of the minutes of the meeting.	Yes	<i>A person - one of the proposed candidates - who gives consent to be a candidate and receives the highest number of valid votes becomes the chairman of GSM. The chairman conducts the meeting according to the fixed agenda, the law and the Regulations of GSM.</i>
9	A general meeting should be attended by members of the supervisory board and the management board. An expert auditor should be present at an annual general meeting and at an extraordinary general meeting if financial matters of the company are to be discussed thereat. The absence of the member of the management board or the member of the supervisory board at the general meeting requires an explanation. This explanation should be presented at the general meeting.	Yes	<i>The members of the Management Board are always present at the Ordinary General Meeting, also the members of the Supervisory Board are invited to the meeting. In case of the absence of the member of the Management Board of the Supervisory Board at GSM his absence is explained to the shareholders present at the GSM. The expert auditor is present at the ordinary and extraordinary general meetings, if the financial matters of the Company are discussed during the debate.</i>
10	Members of the supervisory board and the management board and the expert auditor of the company should, within their powers and to the extent necessary for the settlement of issues discussed by the general meeting, provide the	Yes	<i>The members of the Management Board and the Supervisory Board as well as the expert auditor – if it is necessary, are present at the general meetings. They provide the participants of the meeting with explanations and information regarding the Company,</i>

	participants of the meeting with explanations and information concerning the company.		<i>within their powers and to the extent necessary for the settlement of issues discussed.</i>
11	All answers provided by the management board to the questions posed by the general meeting should take into account the fact that the reporting obligations are performed by a public company in a manner which follows from the Law on public offering and certain information cannot be provided otherwise.	Yes	<i>The authorities of the Company do not restrict the information which a general meeting asks for, but simultaneously observe binding law in this range.</i>
12	Short breaks in the session which do not defer the session, ordered by the chairman in justified cases, cannot be aimed at hindering the exercise of the rights by the shareholders.	Yes	<i>During debate, lasting for hours, only short breaks are ordered– mainly the technical ones. They are not aimed at hindering the shareholders to exercise their rights.</i>
13	Voting on issues placed on the agenda may be carried out only on issues related to the conduct of the meeting. This voting procedure cannot apply to resolutions which may have impact on the exercise by the shareholders of their rights.	Yes	<i>The rule is observed in practice while holding GSM of our Company. The appropriate rules are determined in the Regulations of GSM of STALEXPORT S.A.</i>
14	A resolution not to consider an issue placed on the agenda may be adopted only if it is supported by sound reasons. A motion in this respect should be accompanied by a detailed justification. Removing from the agenda or abandonment of consideration of an issue placed on the agenda at the motion of the shareholders – requires passing a resolution of the general meeting, after previously granted consent by all present shareholders, which submitted such motion, and which was supported by 75% votes at the general meeting.	Yes	<i>According to the Regulations of the General Meeting, all issues on the agenda should be considered during the debate of the general meeting. The resolution not to consider an issue placed on the agenda may be adopted only if it is supported by sound reasons. A motion in this respect should be accompanied by a detailed justification and the decision in this matter should be taken by all present shareholders. To remove an issue from the agenda or not to consider an issue placed on the agenda at the request of the shareholders requires passing the resolution by the general meeting, after previously granted consent by all present shareholders, which submitted such motion, and which was supported by 75% votes at the general meeting.</i>
15	A party objecting to a resolution must have an opportunity to concisely present the reasons for its objection.	Yes	<i>According to the hitherto practice each party objecting to a resolution could present one's reasons and justification of the objection. Moreover, according to the</i>

			<i>Regulations of the General Meeting the chairman should make it possible.</i>
16	Due to the fact that the Code of Commercial Companies does not provide for court control in the event where a resolution is not adopted by the general meeting, the management board or the chairman of the meeting should form the resolutions in such a way that each person who does not agree with a decision being the subject of the resolution, have the possibility of challenging the same; provided that he is entitled to do so.	Yes	<i>The chairman of the general meeting is obliged to provide for clear and lucid drawing up of resolutions. The Management Board of the Company provides also the chairman with the assistance of the Company legal department, in case it is necessary.</i>
17	At the request of a participant in the general meeting, his written statement is recorded in the minutes.	Yes	<i>According to the practice, the written statements of the participants in the general meeting were recorded in the minutes. To secure the compliance with this rule, the Management Board of the Company each time informs a notary public, who will attend the general meeting, about its agenda.</i>
<u>BEST PRACTICES OF SUPERVISORY BOARDS</u>			
18	The supervisory board submits to the general meeting an annual concise evaluation of the company's standing. The evaluation should be made available to all shareholders early enough to allow them to become acquainted with it before the ordinary general meeting.	Yes	<i>According to art. 382 § 3 of the Commercial companies code, the Supervisory Board submits to the general meeting - in a separate document, the annual, written report on activity of the Supervisory Board and report on results of the evaluation: § balance sheet, profit and loss account, cash flow, the list of changes in the equityt capital and the report of the Management Board on the activity of the Company, § consolidated balance sheet, consolidated profit and loss account, consolidated cash flow, changes in shareholders' equity and the report of the Management Board on the activity of the Capital Group of Stalexport S.A.</i>

			<p>for the given turnover year as far as their consistency with books and real standing is concerned.</p> <p>Moreover, the Supervisory Board submits the General Meeting of Shareholders concise evaluation of the Company's standing. The above documents are made available to the shareholders in the periods of time required by the law.</p>
19	<p>A member of the supervisory board should have relevant education, professional and practical experience, be of high morale and be able to devote all time required to properly perform the function on the supervisory board. Candidates for members of the supervisory board should be presented and supported by reasons in sufficient detail to allow an educated choice.</p>	Yes	<p>The candidatures for the members of the supervisory board proposed to the general meeting are always justified. The detailed curriculum vitae of a candidate is attached to the delivered materials. The person submitting a candidature estimates it formally and essentially. When the term of office of the Supervisory Board members expires, three weeks before the code date (publications) of convening the general meeting, the Management Board asks shareholders, known to the Company, that possess major stockholding, to present the candidatures for the members of Supervisory Board.</p>
20	<p>1. (a) At least one-half of members of the supervisory board should be independent members, with a reservation of point d). Independent members of the supervisory board should not have any relations with the company and its shareholders or employees, which relations could have significant impact on the ability of the independent member to make impartial decisions.</p> <p>(b) Detailed criteria of independence should be laid down in the statutes of the company.</p> <p>(c) Without consent of at least one independent member of the supervisory board, no resolutions should be adopted on the following issues:</p> <ul style="list-style-type: none"> - performances of any kind by the company and any 		<p>The provision of § 14 passage 3 of the Charter of the Company STALEXPORT S.A. assures the participation of independent members in the composition of the Supervisory Board.</p>

	<p>entities associated with the company in favour of members of the management board;</p> <ul style="list-style-type: none"> - consent to the execution by the company or its subsidiary of a key agreement with an entity associated with the company, member of the supervisory board or the management board, and with their associated entities; and - appointment of an expert auditor to audit the financial statements of the company. <p>d) In companies, in which one shareholder possesses block of shares giving over 50% in the total number of votes, supervisory board should have at least two independent members, including independent chairman of the audit committee, if such committee was set up.</p>		
21	A supervisory board member should, most of all, bear in mind the interests of the company.	Yes	<i>The members of SB while performing their function bear in mind the interest of the Company. In particular they supervise the execution of the company's strategy.</i>
22	Members of the supervisory board should take relevant actions in order to receive from the Management Board regular and complete information on any and all significant issues concerning the company's operations and on the risk related to the carried out business and ways of managing such risk.	Yes	<p><i>At each meeting of SB, the Management Board reports on any essential matters regarding the activity of the Company. In matters of great urgency the members of the Supervisory Board are informed about them in a circular course.</i></p> <p><i>The Charter of the Company indicates the matters in which the Management Board decisions cannot be taken without the SB acceptance.</i></p> <p><i>The Management Board systematically relays to the members of the Supervisory Board all information and documents necessary to duly perform the control and supervising duties.</i></p>
23	A supervisory board member should inform the remaining members of the board of any conflict of interest that arises, and should refrain from participating in discussions and from voting on passing a resolution on the issue in which the conflict	Yes	<i>In accordance with the hitherto practice the members of the Supervisory Board comply with this recommendation.</i>

	of interest has arisen.		
24	Information on personal, actual, and organizational connections of a supervisory board member with a given shareholder, and, in particular, with the majority shareholder, should be available to public. The company should have a procedure in place for obtaining information from members of the supervisory board and for making it available to the public.	Yes	<i>The information are available on the website of the company together with CV of the SB members.</i>
25	Supervisory board meetings, save for issues which directly concern the management board or its members, and, in particular, removal, liability, and setting remuneration, should be accessible and open to members of the management board.	Yes	<i>The members of the Management Board participate in SB meeting, excluding the points of the agenda that directly concern the Management Board.</i>
26	A supervisory board member should enable the management board to present publicly and in an appropriate manner information on the sale or acquisition of the shares of the company or of its dominant company or a subsidiary, and of transactions with such companies, provided that such information is relevant for his financial standing.	Yes	<i>The Company observes the binding law in this range i.e. the Commercial companies code, the Act on public offering (...), and the Decree of the Finance Minister on periodic and current information (...), assuring the same conveying the required information to the public.</i>
27	The remuneration of the Supervisory Board members should be determined on the basis of transparent procedures and principles. The remuneration should be fair , but should not constitute a significant cost item in the company's business or have material impact on its financial results. The remuneration should be in reasonable relation to the remuneration of members of the management board. The aggregate remuneration of all members of the Supervisory board in additional breakage to its particular elements should be disclosed in the annual report together with the information about procedures and principles of its determination.	Yes	<i>The remuneration of the Supervisory Board members does not constitute a significant item in the costs of the Company's functioning. The amount of the remuneration is adjusted to the financial results of the Company. The remuneration of the Supervisory Board members is determined by GSM resolution. The aggregate and individual amount of the remuneration of all members of the Supervisory Board is shown in the annual report.</i>

28	<p>The supervisory board should operate in accordance with its by-laws which should be available to the public.</p> <p>The Regulations should anticipate appointment of at least two committees : audit committee and remuneration committee.</p> <p>The audit committee should consist of at least two independent members and at least one member having qualification and experience in accounting and finance.</p> <p>The tasks of the committees should be lengthy determined in regulations of the supervisory board.</p> <p>The committees of the Board should submit the supervisory board annual reports on their activity.</p> <p>The reports should be made available to the shareholders by the Company.</p>	<p>Yes</p>	<p><i>The Supervisory Board acts according to the Regulations which is available on the website of the Company.</i></p> <p><i>The Regulations envisages appointing the following working teams:</i></p> <p>§ <i>Audit Committee (to examine the financial reports),</i> § <i>Remuneration Committee (Management Board remuneration)</i></p> <p><i>- the Audit Committee comprise two independent members and two members having qualifications and experience in the accounting and finance.</i></p> <p><i>The Supervisory Board will determine the tasks and the course of work of the a/m committees. The reports on their activity will made available for shareholders.</i></p>
29	<p>The agenda of a supervisory board meeting should not be amended or supplemented during the meeting which it concerns. This requirement does not apply if all members of the supervisory board are present and agree to the amendment or supplementation of the agenda, and in instances where the adoption of certain activities by the supervisory board is necessary in order to protect the company against damage and in the case of a resolution which concerns the determination whether there exists a conflict of interest between a supervisory board member and the company.</p>	<p>Yes</p>	<p><i>According to the Regulations of the Supervisory Board the notice about the meeting together with agenda should be sent at least 7 days ahead of time.</i></p> <p><i>The resolutions are adopted only in issues covered by the agenda, unless all members of the Supervisory Board are present at the meeting and agree to consider the issues not covered by the agenda.</i></p>
30	<p>A supervisory board member delegated by a group of shareholders to permanently exercise supervision should submit to the supervisory board detailed reports on the performance of his task.</p>	<p>Yes</p>	<p><i>There have been no such cases in the company so far. (One can consider introducing such entry in the Regulations of the General Meeting of Shareholders). .</i></p>
31	<p>A supervisory board member should not resign from his function during a term of office if this could render</p>		

	the functioning of the board impossible, and, in particular, if it could hinder the timely adoption of an important resolution.	Yes	
<u>BEST PRACTICES OF THE MANAGEMENT BOARDS</u>			
32	Bearing in mind the interest of the company, the management board sets forth the strategy and the main objects of the company's operations, and submits them to the supervisory board. The management board is liable for the implementation and performance of the same. The management board cares for transparency and effectiveness of the company management system and the conduct of its business in accordance with the legal regulations and best practice.	Yes	<p><i>The Management Board works out the strategy and main purposes of the Company, which next presents to the Supervisory Board.</i></p> <p><i>The Management Board is liable for the implementation of the strategy and its performance.</i></p> <p><i>In case of introducing essential changes in strategy or long-term plans of activity, the Management Board of the Company notifies the Supervisory Board.</i></p>
33	While making decisions on corporate issues, members of the management board should act within the limits of justified economic risk, i.e. after consideration of all information, analyses and opinions, which, in the reasonable opinion of the management board, should be taken into account in a given case in view of the company's interest. While determining the interest of the company, one should keep in mind the justified in longterm perspective interests of the shareholders, creditors, employees of the company and other entities and persons cooperating with the company, as well as the interests of local community.	Yes	<p><i>The Management Board of the Company thoroughly analyses the undertaken actions and decisions.</i></p> <p><i>The members of the Management Board fulfill their duties with accuracy and take advantage of their knowledge and life experience.</i></p>
34	In transactions with shareholders and other persons whose interests have impact on the interest of the company, the management board should act with utmost care so as the transactions were carried out on the market conditions.	Yes	<p><i>The market price is the basis to determine the value of the transaction with the shareholders and other persons, whose interests affect the interest of the Company, if it is known, if not, the transactions are concluded on the conditions determined according to market criteria.</i></p>

35	A management board member should display full loyalty towards the company and avoid actions which could lead to implementing exclusively own material interest. If a management board member receives information on the possibility of making an investment or another advantageous transaction concerning the objects of the company, he should present such information immediately to the management board for the purpose of considering the possibility of the company taking advantage of it. Such information may be used by a management board member or be passed over to a third party only upon consent of the management board and only when this does not infringe the company's interest.	Yes	<i>The members of the Management Board of STALEXPORT S.A. fully accept this rule and they follow it in their actions. Appropriate rules in this respect are in the Regulations of the Management Board.</i>
36	A management board member should treat his shares in the company and in its dominant companies and subsidiaries as a long-term investment.	Yes	<i>The managing persons treat possession of shares of STALEXPORT S.A. as a long-term investment. The Company publishes information about purchasing and selling the shares of STALEXPORT S.A. by the managing persons.</i>
37	Management board members should inform the supervisory board of each conflict of interest in connection with the performed function or of the risk of such conflict.	Yes	<i>The members of the Management Board of STALEXPORT S.A. fully accept this rule and they follow it in their actions. The appropriate rules in this respect are in the Regulations of the Management Board.</i>
38	The remuneration of management board members should be set based on transparent procedures and principles, taking into account its incentive nature and ensuring effective and smooth management of the company. The remuneration should correspond to the size of the company's business enterprise, should be in reasonable relation to the economic results, and be related to the scope of liability resulting from a given function, taking into account the level of remuneration of members of management boards in similar companies in a similar	Yes	<i>The remuneration of the Management Board members consists of a constant part and the changeable one, adjusted and dependent on the financial results of the Company in given financial year, and other parameters determined every year by the Supervisory Board.</i>

	market.		
39	The aggregate remuneration of all members, and also individual one of each member of the management board, showing additionally its particular components - should be disclosed in the annual report, together with the information about procedures and principles of its determination. If the amount of remuneration of individual members of the management board significantly differs, it is recommended that a relevant explanation be published.	Yes	<i>The aggregate and individual remuneration of the Management Board members together with suitable commentary is disclosed in an annual report. The differences in the amount of that remuneration are not significant, and result only from a performed function and the range of duties connected with it.</i>
40	The management board should lay down the principles and procedure of operations and allocation of powers in the Regulations which should be open and generally available.	Yes	The Regulations of the Management Board determines the principles, working procedure of the Management Board and its competence. The Regulation of the Management Board is available on website of the Company.
<u>BEST PRACTICES IN RELATIONS WITH THIRD PARTIES AND THIRD PARTY INSTITUTIONS</u>			
41	The selection of an expert auditor for a company should guarantee impartiality of performance of the entrusted tasks.	Yes	<i>The Management Board recommends to the Supervisory Board the selection of an expert auditor, after previous analysis of the offers. The Supervisory Board makes the independent choice.</i>
42	In order to ensure proper impartiality of opinion, the company should change the expert auditor at least once every five years. Changing the expert auditor means also changing of the examining person. Moreover in the long period the company should not take advantage of the services of the same examining entity.	Yes	<i>The latest change of an expert auditor took place in 2003 while examining the financial report for 2002. The change of expert auditor will be made after 5 years cooperation period in 2007.</i>
43	The expert auditor should be selected by the supervisory board or general meeting of the company, upon receiving recommendation from the supervisory board, which comprises the recommendation of the audit committee. Making by the supervisory board or the general meeting other	Yes	<i>The Supervisory Boar, the composition of which comprises the members fulfilling the independence criteria - chooses the entity which renders the services of the expert auditor, – at the motion of the management board.</i>

	choice than those recommended by audit committee should be lengthy justified. Information regarding the selection of the expert auditor together with justification should be included in the annual report.		
44	The auditor to the specific matters cannot be an entity which at present or in the examining period is the expert auditor in the company or in its subsidiaries.	Yes	<i>The Company observes the rule that the person being an expert auditor in the Company or in its subsidiaries, was not the auditor to the specific matters.</i>
45	A company should acquire its own shares in such a way that no group of shareholders be privileged.	Yes	<i>The Management Board declares that in case of transaction of acquiring its own shares, it will do its best so as no group of the shareholders was privileged.</i>
46	The statutes of the company, its basic internal regulations, information and documents related to general meetings, and the financial statements should be made available in the registered office of the company and on its website.	Yes	<i>The Company's Charter, its basic internal regulations, information and documents related to the general meetings, and also financial reports are available in the seat of the Company and on its website.</i>
47	The Company should have proper media relations procedures and regulations and an information policy, ensuring coherent and reliable information about the company. The company should, in compliance with the legal regulations and taking into account its interests, make available to mass media representatives information on its current operation and business, standing, and enable their presence at general meetings.	Yes	<i>The Company worked out the rules regarding information policy. Observing these rules the Management Board does its best so that reliable information regarding the current activity of the Company and its economic situation was available to the media representatives. However, the Company fulfills its information duties according to the law, i.e. the Act on public offering and conditions governing the introduction of financial instruments to organized trading and public companies. __The Company holds press conferences at least twice a year According to the Regulations of the General Meeting the Company enables the media representatives to be present at the general meetings.</i>
48	In its annual report, a company should make public its statement on the application of corporate governance standards. If the standards are not applied to any extent, the company should also publicly explain this fact.	Yes	<i>The Company observes the law regarding „Best practices (i.e. the Regulations and Resolutions of Warsaw Stock Exchange and the Securities Commission, etc)</i>

Adopted: Resolution of the Management Board no.53/2006 dated May 10th 2006.

Approved: Resolution of Supervisory Board no 13/2006 on June 8th, 2006 and OGSM dated 30.06.2006.

Signature:

Emil Wąsacz – The Chairman of the Management Board, General Director

Mieczysław Skołożyński – The Vice-Chairman of the Management Board , Financial Director

Urszula Dzierżoń – The member of the Management Board, Commercial Director