

The Rules of Corporate Governance in 2007

According to §29 section 5 of the Regulations of Stock Exchange in Warsaw approved by the resolution no 12/1170/2007 of the Council of the Stock Exchange dated 4.07.2007 on resolving "Good Practices of WSE listed Companies" - The Management Board of Stalexport Autostrady S.A. publishes the report on implementing by the Company in 2007 the rules of corporate governance, included in the document „Good Practices in Public Companies 2005”.

1. The Management Board of the Company declares that in 2007 the Company observed the rules of corporate governance included in the document „Good Practices in Public Companies 2005” according to the declaration submitted by the Company in the current report dated 28.06.2007.
2. The rules were approved by the Management Board resolution no 63/2007 dated 31.05.2007 and approved by the Supervisory Board resolution no 18/2007 dated 11.06.2007 and the OGSM resolution no 27 dated 28.06.2007.
3. According to the a/m declaration the Company did not observe only the rule no 20 because in the composition of the Supervisory Board in the period till 28.09.2007 the composition of the Supervisory Board comprises the independent members however in the number lower than the one required by the rule. As from 28.09.2007 in connection with resignation of the chairman of the Supervisory Board, the independent members consist 50% of the composition of the Supervisory Board.

Part I. Good Practices of Companies listed on WSE (DPSN)

The Management Board of Stalexport Autostrady S.A. declares the intend to observe the rukes recommended in part I of Good Practices of Companies listed on WSE (DPSN)

Part II. Good Practices of Companies listed on WSE (DPSN)

Description of way of activity of the General Meeting

Apart from the shareholders, also the members of the Management Board and the Supervisory Board of the Company and also the guests including the experts invited by the body convening the General Meeting, can participate in General Meeting of Shareholders convened under conditions defined in the Commercial companies code and in the Company's Charter.

The representative of the chartered accountant of the Company participates and gives explanations during the general meetings which agenda comprises the financial matters of the Company.

The general meetings are held in the seat of the Company, in Katowice, and the detailed rules of its course are defined in the Regulations resolved on 27.11.2002. The Regulations of the General Meeting of Shareholders of Stalexport Autostrady S.A. (text in force takes into account the three amendments made in the years 2004, 2005 and 2006).

The Regulations determine in particular the rules of electing the Chairman of the General Meeting, the tasks of the Chairman of the General Meeting and his duties, the rules of electing the Scrutinizing Committee and its duties.

In the Company the Scrutinizing Committee is not appointed according to the decision of the General Meeting, because the voting is carried out via a computer system of casting and counting the votes, and the printed results of voting are signed by the Chairman of the General Meeting.

The votings at the general meetings are open and a secret voting is ordained at elections and over motions to call off the members of the Company's authorities or the liquidators, to call them to account, also in personal matters, as well as at the demand of at least one of the shareholders present or represented at the General Meeting.

The rights of the shareholders and the mode of their exercising

According to the art. 400 of the Commercial companies code and the Company's Charter the shareholders representing, at least 1/10 of the stock capital may request to convene an extraordinary general meeting and also to put some matters on the agenda of the nearest general meeting.

The Regulations of the General Meeting of Shareholders of Stalexport Autostrady S.A., mentioned above, in detail defines the range of the rights of the shareholders in connection with executing by him, his the most important right, i.e. participating in the General Meeting.

The shareholders who submit in the Company inscribed shares and temporary certificates, issued by the subject operating their securities account, according to the rules of the public trading of securities, in particular in the way and according to the date appointed in the announcement, have the right to participate in the General Meeting, and the right to participate covers the right to speak, to ask questions, to vote, to submit motions and to oppose.

In a result of opposing in relation to the resolutions of the General Meeting the shareholder has right to appeal against them in Court under course and on conditions determined in the Commercial companies code.

The shareholder can participate in the General Meeting personally or by the representatives acting on the basis of the written proxy

The shareholder has the active and the passive voting right while electing the Chairman of the General Meeting, the Scrutinizing Committee and while electing the Supervisory Board of the Company.

The shareholder participating in the General Meeting can speak in the issues covered by the agenda and being considered with reservation that while considering separate items of the agenda the shareholder has right to one 5-minutes speech and three minutes report, and the Chairman of the General Meeting grants the right to speak according to the order of submitted applications by the individual shareholders.

Moreover the shareholder has the right to ask questions in every issue covered by agenda and to obtain the profound answers and explanations from the authorities of the Company.

The shareholder participating in the General Meeting has the right to submit suggestions of changes and supplements to the drafts of resolutions covered by the agenda of the General Meeting, till the discussion over a point of agenda covering the draft of the resolution is closed. The suggestions of the amendments and supplements with short justification should be submitted in writing, indicating the name and surname (firm) of the shareholder, to the Chairman of the General Meeting, and the amendments and supplements of the formal and language character may be submitted verbally.

In matters of formal character as for example an ordaining a break in the debates of the General Meeting - the shareholder is entitled to speak and submit the appropriate motion anytime but after granting him the right to speak by the Chairman.

In case of electing the members of the Supervisory Board of the Company, each shareholder has right to propose any number of candidates for the members of the Supervisory Board, and a candidature or the candidatures are proposed verbally with a short justification.

According to the §24 of the Company's Charter the resolutions of the General Meeting of Shareholders require in particular:

1. the approval after considering the Management Board's report on the Company's activity and the financial report for the previous turnover year,
2. the profit distribution or loss coverage;
3. granting the members of the Management Board and the members of the Supervisory Board exoneration from duties performed by them;
4. disposal and lease of the enterprise or its organised part and setting up a limited property right upon them;
5. the issue of convertible bonds or bonds with the priority right;
6. consideration and approval of the financial statement of the Capital Group of Stalexport Autostrady;
7. the amendment of the Company's Charter, including the subject of the Company's activity, increase or decrease in the stock capital and also the amortisation of shares;
8. an essential change of the subject of the Company's activity;
9. dissolution and liquidation of the Company;
10. merging, dividing and transforming the Company;
11. appointing members of the Supervisory Board after establishing earlier the number of its members for a given term of office and recalling them;
12. determining the remuneration rules for the appointed members of the Supervisory Board.

Composition and the rules of activity of the managing and supervising bodies of the company and its committees:

- 1/ the Management Board acts in the following composition:

1. Emil Wąsacz - Chairman of the Management Board
2. Mieczysław Skołączyński - Vice-Chairman of the Management Board

The Management Board resolved its regulations defining the course of proceedings, and its contents is available on the corporate website of the Company. The Regulations, according to the Charter of the Company, was approved by the Supervisory Board.

2/ the Supervisory Board acts in the following composition:

1. Giuseppe Palma - Chairman
2. Bogusław Leśnodorski - Vice- Chairman
3. Jerzy Sroka - Secretary
4. Dario V. Cipriani
5. Katarzyna Galus
6. Christopher Melnyk
7. Konrad Tchórzewski
8. Mateusz Van Wollen

According to the Charter of the Company, the Supervisory Board resolved its regulations defining the course of proceedings, and its contents is available on the corporate website of the Company.

a) Audit Committee acts in the following composition:

- § Jerzy Sroka – Chairman,
- § Dario V. Cipriani,
- § Mateusz Van Wollen,
- § Christopher Melnyk.

b) Remuneration Committee acts in the following composition:

- § Giuseppe Palma – Chairman,
- § Katarzyna Galus,
- § Bogusław Leśnodorski,
- § Konrad Tchórzewski.

The a/m committees acted under the regulations passed by the Supervisory Board, being the enclosures to the Regulations to the Supervisory Board.

Description of the basic attributes of the systems of internal control and the risk management regarding the process of drawing up the financial reports applied in the company

The system of internal control and risk management in relation to drawing up the financial reports is being executed in the Company by the procedures of drawing up and approving the financial reports binding in the Company. The financial reports are drawn up by the financial –accounting staff under the control of the Chief Accountant of the Company and next verified by the Financial Director, and its final contents is approved by the Management Board in its resolution.

The financial reports approved by the Management Board are verified by the independent auditor – chartered accountant, chosen by the Supervisory Board of the Company..

Next according to § 18 section 2 point 1) of the Company's Charter, the Supervisory Board – following the recommendation of its Audit Committee, each year estimates the audited financial reports of the Company and the Capital Group in the range of their conformance with books and documents as well as with the actual condition, and it informs the shareholders about the results of this estimation in its annual Report.