

Wysogotowo, 29th June 2007

To:
Report submitted to the Polish Financial Supervision Authority

Current report: 69/2007

Re: Statement concerning the observance of Corporate Governance in the Company

The Board of Directors of PBG S.A. hereby publishes the Company's Corporate Governance Statement.

Legal basis:
§ 29 item 3 of the WSE Regulations

Signature of the authorised person:
Magdalena Eckert-Boruta

Corporate Governance Statement pursuant to “Best practices in public companies in 2005”

GENERAL RULES

I. The purpose

The basic purpose of the Company's bodies is to act in the Company's interests, i.e. to increase the value of assets contributed by its shareholders, with due consideration to the rights and interests of entities other than its shareholders involved in the Company's business, in particular the Company's creditors and employees.

II. Rule of the majority and protection of the minority

A joint-stock company is a capital enterprise. Therefore the principle of the rule of capital majority and dominance of the majority over the minority must be adopted. A shareholder who contributed more capital also faces higher economic risk. It is therefore justified that the interests of these shareholders are considered pro rata to their capital contribution. At the same time, the minority must have a guarantee of due protection of its rights, within the limits set by the law and accepted codes of conduct. While exercising its rights, a majority shareholder must consider interests of the minority.

III. Bona fide and no abuse of rights

Exercise of rights and use of legal institutions should be based on honest intentions (bona fide) and must be limited to the specified purpose and economic justification upon which these institutions were established. No ultra vires action must be taken which would thus be a breach of law. The minority must be protected against the abuse of ownership rights by the majority, and the interest of the majority must be protected against the abuse of rights by the minority, while ensuring the best protection of equitable interests of the shareholders and other participants of the public trading of securities.

IV. Judicial control

The Company bodies and persons chairing the General Meeting of Shareholders shall not resolve any issues that should be settled by court rulings. This provision shall not apply to actions which must be taken by Company bodies and persons chairing the General Meeting of Shareholders pursuant to their legal rights or obligations.

V. Independent experts' opinions contracted by the Company
When appointing an entity to provide expert services, in particular certified auditors, financial and fiscal advisors and legal advisors, the Company should consider whether there are any circumstances which could affect the independence of this entity while performing tasks contracted by the Company. The Company shall not select an entity whose independence is limited by such circumstances.

RULE	YES / NO	COMMENTS
		BY PBG S A

BEST PRACTICES OF GENERAL MEETINGS OF SHAREHOLDERS

1	General Meeting of Shareholders should be held at such a time and place as to ensure the participation of as many shareholders as possible.	YES	Pursuant to § 21 of the Company's Articles of Association, the General Meetings of Shareholders are held at the Company's registered office, unless other venue is specified in the announcement of the General Meeting (Poznań or Warsaw). To facilitate the participation in the General Meeting for the largest possible number of Shareholders, the Board of Directors declared to organise General Meetings in Warsaw.
2	The request to convene a General Meeting and to include certain matters in its agenda, made by eligible entities, must be justified. Draft resolutions to be	YES	General Meetings of Shareholders are convened under §20.5 of the Company's Articles of Association. Under §6.2 of the By-laws of the General Meeting of Shareholders, the

	<p>adopted by the General Meeting of Shareholders and other relevant documents should be presented to the shareholders along with due justification and the opinion of the Supervisory Board in advance, so as to allow the shareholders to review and evaluate these documents.</p>		<p>Company adopted a rule that the entity authorized to request the convention of the General Meeting must present its justification and the agenda. If a request to convene a General Meeting does not include due justification, the Board of Directors shall require such justification from a person filing the request. Any documents to be used at the General Meeting shall be provided to the shareholders in conformance with the provisions binding upon the companies listed at Warsaw Stock Exchange. Furthermore, under §4 of the By-laws of the General Meeting of Shareholders, the shareholders may, upon their request, receive draft resolutions 8 days at the latest prior to the planned date of the General Meeting of Shareholders.</p>
3	<p>The General Meeting of Shareholders convened at the request of shareholders shall be held at a date specified in the request, and if this is not possible for justified reasons - at the nearest possible date when the General Meeting is able to adopt a resolution on matters included in the agenda.</p>	<p>YES</p>	<p>The By-laws of the General Meeting of Shareholders, in §6.1, provide for the obligation for the Company to convene the General Meeting on the date indicated in the request and if the date cannot be kept, on other date, as soon as possible. The rule shall be secured by the provisions of § 20.6 of the Company's Articles of Association, under which the Board of Directors shall convene the Extraordinary General Meeting of Shareholders within 2 weeks after a relevant written request is received, setting its date not later than within 2 months after such request is received. If the General Meeting of Shareholders is not convened at this date or if its agenda differs from the agenda specified in the request, the Supervisory Board shall have the right to convene the General</p>

4	<p>A General Meeting of Shareholders whose agenda includes issues filed by eligible entities, or which has been convened at the request of such entities, may be cancelled only by their consent. In all other instances, a General Meeting may be cancelled in the face of certain extraordinary obstacles (force majeure) or if it is clearly ungrounded. The Meeting is cancelled based on the same procedure as the procedure of its convention, ensuring that any possible negative effects for the Company and its shareholders are as limited as possible, and in any case not later than three weeks prior to the original set date of the Meeting. Change of the set date of the General Meeting is subject to the same procedure as the procedure of its cancellation, even if there are no changes to the agenda.</p>	<p style="text-align: center;">YES</p>	<p>Meeting of Shareholders.</p> <p>The Company follows a general rule not to cancel or change set dates of General Meetings of Shareholders, unless there are certain justified or extraordinary circumstances beyond the Company's control.</p> <p>§6 sections 3 and 4 of the By-laws of the General Meeting of Shareholders provide for the possibility of calling off the Extraordinary General Meeting of Shareholders only with the consent of the requesting parties. The calling off procedure is set out in §6 sections 4 and 5 of the By-laws of the General Meeting of Shareholders.</p>
5	<p>In order for a proxy of a shareholder to participate in a General Meeting of Shareholders, relevant documentation (right of representation) must be duly submitted. By default, it is presumed that the proxy documentation (authorising the proxy to represent the shareholder at the General Meeting of Shareholders) is in compliance with the law and requires no additional confirmation, unless its authenticity or <i>prima facie</i> validity gives rise to any doubts of the Management Board (when drawing up the attendance list) or of the Chairman of the General Meeting of Shareholders.</p>	<p style="text-align: center;">YES</p>	<p>Under §27 of the Articles of Association and §7 of the By-laws of the General Meeting of Shareholders, a shareholder may participate in the General Meeting personally or by proxy. In order to participate in the General Meeting of Shareholders as a proxy and to exercise voting rights, the only document needed is a proxy (in writing – under pain of nullity) granted by authorised persons, in compliance with a copy from a relevant register or in compliance with the provisions of the Polish Civil Code in the case of natural persons.</p> <p>When drawing up the list of attendance at the General Meeting of Shareholders, the Company shall only control the said documents.</p>
6	<p>Rules of Order of the General Meeting shall be</p>		<p>The Company implemented, adopted and</p>

	<p>adopted and detailed principles on conducting meetings and adopting resolutions should be set forth therein. In particular, Rules of Order should include provisions on election procedures, including election of members of the Supervisory Board by voting in separate groups. Rules of Order should not be subject to frequent amendments; it is recommended that amendments come into effect as of the date of the next General Meeting.</p>	<p>YES</p>	<p>applies the By-laws of the General Meeting of Shareholders. Under the present law and §28.8 of the Company Articles of Association, the General Meeting of Shareholders is a body authorised to appoint the Supervisory Board. The rules of appointing the Supervisory Board are set out in §29 – 31 of the By-laws of the General Meeting of Shareholders.</p>
7	<p>The person opening the General Meeting of Shareholders should procure an immediate appointment of the chairperson and should refrain from any other substantive or formal decisions.</p>	<p>YES</p>	<p>Pursuant to §25.1 of the Articles of Association, the person who opens the General Meeting of Shareholders is the Chairman of the Supervisory Board or a person appointed by the Chairman. If these persons are absent, the General Meeting of Shareholders is opened by the President of the Board of Directors or a person appointed by the Board. Under §25.2 of the Articles of Association and §10 of the By-laws of the General Meeting of Shareholders, the person opening the General Meeting is obliged to immediately appoint the Chairman. The chairman appointment procedure is set out in §11 of the By-laws of the General Meeting of Shareholders.</p>
8	<p>The task of the chairperson of the General Meeting is to ensure that the conduct of the Meeting is efficient and that the rights and interests of all shareholders are respected. In particular, the Chairperson should prevent any abuse of rights by the participants of the Meeting and ensure that the rights of minority</p>	<p>YES</p>	<p>The Company follows this rule. The duties of the Chairman are set out in §12 of the By-laws of the General Meeting of Shareholders. The Chairperson must chair the meeting so as to ensure that the rights and interests of all shareholders are respected.</p>

	<p>shareholders are respected. The Chairperson shall not resign from this position without good reason and shall not postpone the final signing of the minutes of the General Meeting of Shareholders (unless for significant reasons).</p>		
9	<p>A General Meeting should be attended by members of the Supervisory Board and the Management Board. The certified auditor should participate in the Annual General Meeting and in the Extraordinary General Meeting if the Company's financial standing is to be discussed thereat. Absence of the Management Board or Supervisory Board member at the General Meeting must be explained. This explanation should be presented at the General Meeting.</p>	<p>YES</p>	<p>The Good Practice Statement submitted by the Company's Board of Directors, prior to the submission to Warsaw Stock Exchange, is discussed by the Supervisory Board and further adopted in the form of a resolution of the General Meeting of Shareholders. It ensures the reliability of the statement and the familiarity of all rules by all members of all governing bodies. This rule is applied pursuant to §8.1 of the By-laws of the General Meeting of Shareholders. The Board of Directors invites the certified auditor to participate in the General Meeting if the Company's financial standing is to be discussed thereat.</p>
10	<p>Members of the Supervisory Board and the Management Board as well as the certified auditor shall, within their powers and to the extent necessary to resolve issues discussed at the General Meeting, provide the participants of the Meeting with due explanations and information concerning the Company.</p>	<p>YES</p>	<p>If necessary, members of the Supervisory Board and the Board of Directors as well as the certified auditor taking part in the General Meeting, shall, within their powers and to the extent necessary to resolve issues discussed at the General Meeting, provide the participants of the Meeting with due explanations and information concerning the Company. This corporate government rule complies with §18.2 of the By-laws of the General Meeting of Shareholders.</p>

11	<p>All answers provided by the Management Board to questions of the General Meeting should take into account the fact that a public company should report and provide information in compliance with the provisions of the Law on Public Trading of Securities, and certain information cannot be provided otherwise than pursuant to these provisions.</p>	<p>YES</p>	<p>Under §18.3 of the By-laws of the General Meeting of Shareholders, the Company authorities provide all information requested in particular by the General Meeting, but at the same time comply with provisions of the Act of 29 July 2005 on trading in financial instruments and a Regulation on current and interim information provided by issuers of securities.</p>
12	<p>Short breaks in the session of the General Meeting (which do not defer the session) ordered by the chairperson in justified cases cannot be used to prevent the exercise of rights by the shareholders.</p>	<p>YES</p>	<p>This rule is followed by the Company and so far short breaks in the sessions of the General Meeting, which are not adjournments of the General Meeting, have been ordered by the Chairperson in justified cases only. Pursuant to Rule No. 8 of this Statement and under §12 of the By-laws of the General Meeting of Shareholders, the task of the Chairperson of the General Meeting is to ensure that the conduct of the Meeting is efficient and that the rights and interests of all shareholders are respected. Furthermore, under §22 of the By-laws of the General Meeting of Shareholders, the Chairperson may order a short technical break which must not hinder with the exercising of the rights of shareholders.</p>
13	<p>Voting on procedural matters may only apply to matters related to the conduct of the Meeting. This voting procedure cannot apply to resolutions which may affect the exercise of the shareholders' rights.</p>	<p>YES</p>	<p>The Company follows the rule. The procedure of voting on procedural issues is set out in §19 of the By-laws of the General Meeting of Shareholders.</p>

14	<p>A resolution to drop an issue included in the agenda may only be adopted if it is based on good reasons. A request for the omission of any item of the agenda must be well grounded. By consent of all present shareholders who filed such a request, for an issue to be dropped or removed from the agenda upon shareholders' request, a relevant resolution of the General Meeting must be taken with a majority of 75% of votes.</p>	<p style="text-align: center;">YES</p>	<p>§14 of the By-laws of the General Meeting of Shareholders sets out the specific procedures related to the agenda, particularly related to the procedure of adopting resolution on a failure to discuss an issue included in the agenda. Such a resolution may be adopted only for important reasons, the request in this respect should be justified in detail and removal or decision not to consider a matter included in the agenda requires the consent of all shareholders who filed such a request is required, on condition that 75% of all shareholders attending the Meeting supports the adoption of such a resolution.</p>
15	<p>A party objecting to a resolution shall be allowed to present concise reasoning for the objection.</p>	<p style="text-align: center;">YES</p>	<p>The Chairperson of the General Meeting shall ensure that the reasoning of all objections is presented at the Meeting, and the notary public keeping the minutes of the Meeting shall ensure that all objections and their reasoning are recorded in the minutes, pursuant to provisions of the Code of Commercial Companies and the Notaries Act. The right to justify a requested objection is granted to participants of the General Meeting under §28 of the By-laws.</p>
16	<p>Considering that the Code of Commercial Companies does not provide for judicial control if a resolution is not adopted by the General Meeting, the Management Board or chairperson of the General Meeting should formulate resolutions in such</p>	<p style="text-align: center;">YES</p>	<p>The task of the chairperson of the General Meeting is to ensure that resolutions are formulated in a clear and unambiguous manner. The Management Board shall also make it possible for the chairperson to contact</p>

	<p>a way as to enable each participant who does not agree with a decision taken under the resolution to appeal it (if entitled to do so).</p>		<p>the Company's legal advisor if necessary. §16 of the By-laws of the Supervisory Board provides for the right for all participants of the General Meeting to take floor in the discussion on issues included in the agenda and §23 and §24 of the By-laws ensure the influence for all participants upon the final resolutions.</p>
17	<p>At the request of participants of the General Meeting, their written statements are included in the minutes.</p>	<p>YES</p>	<p>Each participant of the General Meeting is entitled to submit the statement to the minutes pursuant to §20 of the By-laws.</p>
<p><u>BEST PRACTICES OF SUPERVISORY BOARDS</u></p>			
18	<p>The Supervisory Board submits an annual summary report on the Company's standing at the General Meeting. This report should be made available to all shareholder in good time for them to review its contents before the Annual General Meeting is held.</p>	<p>YES</p>	<p>Pursuant to the Supervisory Board By-laws, the Supervisory Board whose task is to supervise the Company's business, under §7 of the Supervisory Board By-laws, submits its annual report at the General Meeting, including also the Supervisory Board's assessment of the Company's standing. This report should be part of the Company's annual report which is to be made available to all shareholders of the General Meeting before the date stipulated in the Code of Commercial Companies.</p>
19	<p>A member of the Supervisory Board should have proper education, professional and practical experience, represent high moral standards, and be able to devote the time necessary for due performance of his/her duties on the Supervisory Board. Candidates for members of the Supervisory Board should be nominated and nominations should</p>	<p>YES</p>	<p>Under the practice and provisions of §3.4 of the Supervisory Board By-laws, members of the Supervisory Board are selected from among the persons meeting the criteria described in this rule. The candidates for members of the Supervisory Board, under §3.2 of the Supervisory Board By-</p>

	<p>be supported by justification in sufficient detail to ensure an educated choice.</p>		<p>laws, are made public 5 days prior to the date of the General Meeting so that each participant can analyse the proposals.</p>
<p>20</p>	<p>1. a) At least 50% of the Supervisory Board members should be independent, subject to provisions of d) below. Independent members of the Supervisory Board should have no relations whatsoever with the Company and its shareholders or employees that may have a significant impact on their ability to take impartial decisions;</p> <p>b) Detailed criteria of independence should be set forth in the Company's Articles of Association;</p> <p>c) Without the consent of the majority of independent members of the Supervisory Board, no resolutions shall be adopted on the following matters:</p> <ul style="list-style-type: none"> - any benefits granted to members of the Management Board by the Company and any related party of the Company; - consent to conclude any material agreement between the Company or its subsidiary and any party related to the Company, member of the Supervisory Board and the Management Board, or their related parties; - appointment of a certified auditor to audit the Company's financial statement. <p>in companies where one shareholder holds a block of shares with more than 50% of the total vote, the</p>	<p>YES</p>	<p>Pursuant to §29 section 9 of the Articles of Association and §3.8 of the Supervisory Board By-laws: At least 50% of members of the Supervisory Board should be independent. The criteria of independence of members are set out in the Articles of Association (§29.9). 9).</p> <p>Pursuant to §13 section 6a of the Supervisory Board By-laws, the Company determined the list of resolutions which cannot be adopted without the consent of the majority of independent members of the Supervisory Board.</p> <p>§18.3 of the Supervisory Board By-laws provides that the Audit Committee, functioning within the Supervisory Board, shall be composed of two independent members. The Company follows the rule that the Chairman of the Audit Committee is an independent member of the Board.</p>

	<p>Supervisory Board should consist of at least two independent members, including an independent chair of the audit committee, should such a committee have been set up.</p>		
21	<p>First and foremost, the Supervisory Board member should bear in mind Company interests.</p>	<p>YES</p>	<p>During the term of office, members of the Supervisory Board member bear in mind the interests of the Company. The method of selection of the Supervisory Board members is a way to ensure that this rule is followed. Members of the Supervisory Board are under the obligation to inform the Chairman of the Supervisory Board of any potential threat to the Company's interests. In addition, members of the Supervisory Board have signed a confidentiality agreement and assumed the obligation to inform the Board of Directors of any investments in the Company's shares made by them or their closely related persons, pursuant to provisions of respective law.</p>
22	<p>Members of the Supervisory Board shall take any actions required to ensure that the Management Board provides regular and complete information on any significant issues concerning the Company's operations, business risk and methods of risk management.</p>	<p>YES</p>	<p>Pursuant to §8 section 2 and §13 section 8 of the Supervisory Board By-laws, at each meeting of the Supervisory Board, the Board of Directors presents a report on any significant issues concerning the Company's business. In the case of urgent issues, the Supervisory Board members are notified by the Board of Directors by mail. The Company's Articles of Association (§36) include a list of issues that may be resolved by the Board of Directors only upon the approval of the Supervisory Board.</p>

23	<p>The Supervisory Board member should notify other members of any conflict of interest and should refrain from taking part in discussions and from voting on a resolution on any matter where the conflict of interest has arisen.</p>	YES	<p>Members of the Supervisory Board are elected in such a way as to prevent any potential conflict of interest between the Company and members of the Supervisory Board. In the case of such a conflict, each member of the Supervisory Board, under §3.16-17 of the Supervisory Board By-laws, is obliged to inform other members of the Supervisory Board of the same.</p>
24	<p>Information on personal, actual and organisational relations between the Supervisory Board member and a shareholder, in particular with any majority shareholder, shall be published. The Company should have a procedure in place for obtaining such information from members of the Supervisory Board and disclosing it to the public.</p>	YES	<p>Based on CVs presented by members of the Supervisory Board, the Company has access to any information on personal, actual and organisational relations between the Supervisory Board member and a shareholder, in particular with the majority shareholder. Under §3.17 (b) of the Supervisory Board By-laws, the Board member shall immediately report personal, factual and organizational relations of the Board Member with a specific Shareholder.</p>
25	<p>Supervisory Board meetings, save for matters directly related to the Executive Board or its members, and in particular to dismissal, liability, and remuneration, shall be accessible and open to members of the Management Board.</p>	YES	<p>Pursuant to §13 section 7 of the Supervisory Board Bylaws, members of the Board of Directors take part in the Board meetings with the right of advisory vote.</p>
26	<p>A Supervisory Board member should make it possible for the Management Board to publish (in line with a relevant procedure) the information on any sale or</p>	YES	<p>The obligation to inform the Company by members of the Supervisory Board on the transactions on the Company's shares results from</p>

	<p>acquisition of the Company shares or shares of its parent company or a subsidiary, and on any transactions with these entities, provided that such information is material for its financial standing.</p>		<p>§15.3.4 of the Supervisory Board By-laws. The Company has also signed confidentiality agreement with all members of the Supervisory Board.</p>
27	<p>Remuneration of Supervisory Board members should be determined based on transparent procedures and principles. The remuneration should be fair, but should not represent a significant cost for the Company or have any material impact on its financial results. It should also be in reasonable relation to the remuneration of members of the Management Board. The total remuneration of all and each member of the Supervisory Board, additionally broken down into components, should be published in the annual report along with the information on the procedures and principles of determination.</p>	<p>YES</p>	<p>Remuneration of members of the Supervisory Board does not represent a significant cost for the Company. Remuneration corresponds to the Company's financial results and is subject to annual review by the General Meeting of Shareholders, under §28.7 of the Articles of Association and §17 of the Supervisory Board By-laws. Total remuneration of all members of the Supervisory Board is disclosed in the annual report.</p>
28	<p>The Supervisory Board shall act in accordance with its Bylaws which should be published. The Bylaws should provide for at least two committees: - audit committee and - remuneration committee. The Audit Committee should be composed of at least two independent Board members and at least one with experience in accounting and finance. The Committees' tasks shall be laid out in details in the Supervisory Board Bylaws. Supervisory Board Committees shall submit annual reports on their</p>	<p>YES</p>	<p>The Company follows the rule, under §18 of the Supervisory Board By-laws</p>

	activities to the Supervisory Board. Their reports should be made available to the shareholders.		
29	The agenda of a Supervisory Board meeting shall not be amended or supplemented during this meeting. However, this requirement does not apply in the following cases: (i) if all members of the Supervisory Board are present at the meeting and agree to amend or supplement the agenda; (ii) if certain actions must be taken by the Supervisory Board in order to protect the Company against a loss; and (iii) if the subject of a resolution is to determine any conflict of interest between the Supervisory Board member and the Company.	YES	The Chairman convenes the meetings of the Supervisory Board. He/she is obliged to hold the meeting of the Board upon the written request of the Company's Board of Directors or an individual member of the Supervisory Board. The agenda of the meeting is determined by the Chairman of the Supervisory Board, taking into consideration the requests of the eligible persons, under §12 of the Supervisory Board By-laws. Under §13 of the Supervisory Board By-laws, the agenda should not be altered during the meeting, except for listed cases.
30	The Supervisory Board member delegated by a group of shareholders to perform permanent supervision should submit detailed reports on the performance of his/her duties to the Supervisory Board.	YES	Under §5.3 of the Supervisory Board By-laws, a delegated member of the Supervisory Board should report to the Supervisory Board on their function at least once a quarter and once a year during the Supervisory Board meeting convened before the Annual General Meeting.
31	Supervisory Board members should not resign from their office during the term of office if it could affect due performance of the Supervisory Board's duties, and, in particular, if it could prevent timely adoption of any important resolution.	YES	Members of the Supervisory Board, under §3.14 of the Supervisory Board By-laws, should not resign if it could prevent due performance of the Supervisory Board's duties.
<u>BEST PRACTICES OF MANAGEMENT BOARDS</u>			

32	<p>With due regard to the Company's interests, the Management Board determines the Company's strategy and its key objectives, presents them to the Supervisory Board, and is responsible for their implementation and achievement. The task of the Management Board is to ensure transparency and efficiency of the corporate management system and compliance with the law and best practices.</p>	<p>YES</p>	<p>The Board of Directors, under §2.4 of Board of Directors By-laws, shall develop the Company's strategy and submit it to the Supervisory Board. The Management Board is responsible for the implementation and execution of the strategy.</p>
33	<p>While taking decisions on corporate issues, members of the Board of Directors should act within the limits of justified economic risk, i.e. having considered all information, analyses and opinions which should be taken into account in a given case (based on a reasonable assessment of the Board of Directors) in view of the Company's interest. When determining the best interest of the Company, the Management Board should consider long-term interests of the Company shareholders, creditors, employees, and other entities and persons co-operating with the Company within the scope of its business, as well as the interests of the local community.</p>	<p>YES</p>	<p>The Board of Directors, under 5.4 of Board of Directors By-laws, shall evaluate the economic risk of the business activities and analyse the effects of action taken in detail. Members of the Board of Directors perform their duties with due diligence and to the best of their knowledge and professional experience.</p>
34	<p>In transactions with shareholders and other persons whose interests may impact the interest of the Company, the Management Board should act with utmost care to ensure that the transactions are concluded at arm's length.</p>	<p>YES</p>	<p>The rule applies under §2.6 of Board of Directors By-laws</p>
35	<p>A Management Board member should remain fully loyal to the Company and should refrain from taking</p>		<p>The rule applies under §5.3 of Board of Directors By-laws</p>

	any actions with the exclusive goal to gain material benefits for themselves. If a Management Board member receives any information on any potential investments or other profitable transaction related to the Company's business activities, (s)he should immediately notify the Management Board thereof to make it possible for the Management Board to consider whether this option may be used to the benefit of the Company. Such information may be used by a Management Board member or passed over to any third party only upon consent of the Management Board and only on condition that this does not affect the Company's best interest.	YES	
36	A Management Board member should consider shares of the Company and of its parent companies and subsidiaries as a long-term investment.	YES	Under §5.4 of Board of Directors By-laws, members of the Board of Directors should treat investments in the Company's shares as long-term investments.
37	Management Board members should notify the Supervisory Board of each instance of a conflict of interest related to their function or of any risk of such conflict.	YES	Board of Directors members are required to notify the Supervisory Board of each instance of a conflict of interest related to their function or of the risk of such conflict, under §5.5 of Board of Directors By-laws.
38	Remuneration of the Management Board members should be determined based on transparent procedures and principles, taking into consideration its incentive nature and ensuring effective and efficient management of the Company. Remuneration should be in proportion to the scope	YES	Under §18.6 of the Supervisory Board By-laws, the remuneration of members of the Board of Directors is determined by the Remuneration Committee appointed within the Supervisory Board.

	of the Company's business, in reasonable relation to its financial results, and related to the scope of responsibility of a position held, taking into account the level of remuneration of members of the Management Board in similar companies on a similar market.		
39	The Total remuneration of all and each member of the Board of Directors, additionally broken down into components, should be published in the annual report along with the information on the procedures and principles of determination. If there are significant discrepancies in the amount of remuneration between individual members of the Management Board, it is recommended that an appropriate explanation be published.	YES	Total remuneration of all members of the Management Board is disclosed in the annual report along with relevant comments. Discrepancies in remuneration of individual Board members are not significant and result only from the position held and its scope of responsibilities.
40	The Management Board should specify its principles and procedures as well as division of powers in its Bylaws which should be published and made available.	YES	The Board of Directors works on the basis of the Board of Directors By-laws, which, under §11.4 therein, may be amended by virtue of the resolution of the Board of Directors approved by the Supervisory Board, adopted according to the requirements set out in the Company's Articles of Association.
<u>BEST PRACTICES IN RELATIONS WITH THIRD PARTY PERSONS AND INSTITUTIONS</u>			
41	The Company's certified auditor should be selected		The Company's certified auditor has been

	in such a way as to guarantee impartiality in performance of duties of the certified auditor.	YES	selected by the Supervisory Board from the submitted offers in accordance with §36.2a of the Company's Articles of Association. Before and after the audit, the certified auditor shall submit a statement confirming the compliance with statutory criteria of impartiality and independence.
42	In order to ensure impartiality of certified auditor's opinion, the Company should change the certified auditor at least once every five years. Changing the certified auditor also involves changing the person who performs the audit. In addition, the Company should not use the services of the same auditor for a longer period of time.	YES	Every year, the Supervisory Board selects the Company's certified auditor. If the same entity is selected to perform the audit of the Company's financial statements, the entity shall change the certified auditor who actually audits the Company's financial statements at least every 3 years.
43	The certified auditor should be selected by the Company's Supervisory Board after the audit committee has presented its recommendations, or the General Meeting of Shareholders upon the Supervisory Board's recommendation which covers the recommendations of the audit committee. The Supervisory Board or General Meeting must give good reasons to justify a choice different from that recommended by the Audit Committee. Information about the selection of a certified auditor with justification should be presented in the annual report.	YES	The certified auditor is selected by the Company's Supervisory Board, following the recommendation of the Audit Committee.
44	Entity hired as certified auditor by the Company or its		The Company declares to follow the rule that

	subsidiary for this period, or period under audit, cannot act as a special-purpose auditor for the same company.	YES	services of special-purpose auditor are provided by other entity than the certified auditor of the Company or its subsidiaries.
45	The procedure of buy-back of treasury shares by the Company shall ensure that no group of shareholders is given preference over other shareholders.	YES	So far, the Company has not bought back its treasury shares. The Management Board declares that if this is the case, due efforts will be taken to ensure that no group of shareholders is given preference over other shareholders.
46	The Company's Articles of Association, basic corporate internal regulations, information and documents related to General Meetings of Shareholders, and the financial statements should be made available at the Company's registered office and on its website.	YES	All corporate documents as mentioned in this Rule are made available to each shareholder at the Company's registered office upon request and at the Company's website: http://www.pbg-sa.pl/pbg-nowa/lad.php?jezyk=pl
47	The Company should have proper media relations procedures and regulations and an information policy in place, so as to ensure that coherent and reliable information about the Company is provided. Within the scope required by the law and taking its best interest into consideration, the Company should provide information on its current operations and financial standing to representatives of the media and allow them to participate in General Meetings.	YES	The Company has proper media relations procedures and regulations and an information policy in place to ensure that coherent and reliable information about the Company is provided. The Company has appointed its Spokesperson responsible for contacts with the mass media.
48	In its annual report, the Company should publish its Corporate Governance Statement. If any Corporate	YES	The Company submits the complete statement under § 27 of the WSE Regulations (Giełda

	Governance rules are departed from, the Company should publish a relevant justification.		Papierów Wartościowych w Warszawie S.A.), following the approval of the Statement by the Supervisory Board and subsequently by the General Meeting of Shareholders.
--	--	--	---