

Wysogotowo, 9<sup>th</sup> May 2007

To:  
Report submitted to the Polish Financial Supervision Authority

Current report: 44/2007

Re: Reports of Audit Committee and Remuneration Committee of the Supervisory Board of PBG S.A.

### Contents:

In accordance with Rule 28 of Best Practices, the Board of Directors of PBG SA hereby publishes reports presented yesterday by the Audit Committee and the Remuneration Committee of the Company's Supervisory Board.

### **"REPORT ON THE AUDIT COMMITTEE OPERATIONS PRESENTED AT THE SUPERVISORY BOARD'S MEETING OF 8<sup>th</sup> MAY 2007**

Background information on the Audit Committee:

The Audit Committee was established under Resolution no. 2 of the Supervisory Board of PBG S.A. of 25th June 2005. In particular, the Audit Committee is responsible for:

- review of the independence of a selected certified auditor, advising the Supervisory Board on the selection of a certified auditor as well as on the terms of agreement with such an expert and the amount of remuneration payable to such an expert. Should the Board of Directors select a certified auditor other than the expert recommended by the Audit Committee, such a decision must be supported with a detailed rationale.
  - analysis and evaluation of relations and dependencies within the Company, the Supervisory Board and the Board of Directors with respect to any actual and potential conflicts of interest; delivery of actions aimed at elimination of such problems,
  - assurance of a smooth communication between the certified auditor and the Supervisory Board,
  - review of quarterly, half year and annual financial statements submitted by the members of the Company's Capital Group; as well as quarterly, half year and consolidated annual financial statements of the Capital Group.
- The Audit Committee convenes when necessary, at least once a quarter.

In 2006 the Audit Committee was made up of  
Dariusz Sarnowski  
Adam Strzelecki

Jacek Krzyżaniak.

In 2006, while exercising its right and duties, the Audit Committee delivered the following tasks:

- analysis of financial risks related to the acquisition of Hydrobudowa Śląsk SA in 2006 and the assessment on their impact on the financial results of PBG SA Group,

Preliminary opinions on the financial statements of PBG SA and PBG SA Capital Group and interpretation of the financial results for the Supervisory Board,

1. Current assessment of impact of the planned economic activities on the results of PBG SA Group
2. Ongoing cooperation with the group's coordinator,

#### **“REPORT ON THE REMUNERATION COMMITTEE OPERATIONS PRESENTED AT THE SUPERVISORY BOARD’S MEETING OF 8TH MAY 2007**

Background information:

The Remuneration Committee was established under Resolution no. 3 of the Supervisory Board of 25th June 2005. The Remuneration Committee is particularly responsible for:

- general monitoring of remuneration practices and remuneration levels across the Company,
- defining the terms of employment of the Board members and Company executives,
- defining the bonus scheme for the financial year.

The Chairman of the Remuneration Committee is selected and appointed by other Committee members.

The Remuneration Committee meets when required, but at least once a quarter.

In 2006 the Remuneration Committee was made up of

- Maciej Bednarkiewicz
- Wiesław Lindner
- Mirosław Dobru

Committee operations in 2006:

- assessment of the financial terms of employment of the Company's Board members,

- participation in the bonus process as part of the incentive scheme for 2005;
- assessment of remuneration received by the Company's Board members related to their scope of duties and the manner of their discharge;
- analysis of remuneration policy in PBG SA and in the Capital Group companies."

Legal basis: Rule 28 of Best Practices

Signature of the authorised person:  
Magdalena Eckert-Boruta