

Code of the Best Practice for WSE listed Companies

No.	RULE	YES/NO Partially/ N/A	COMMENTS
INTRODUCTION			
<p>Note: Companies formed under Cyprus laws do not have a supervisory board or a management board. Cyprus companies have a board of directors, members of which are appointed to fill certain executive (the “Executive Directors”) and non-executive positions (the “Non-executive Directors”) (the “Board of Directors”). The Non-executive Directors (called independent directors), generally, are neither officers nor employees of Cyprus companies as opposed to the Executive Directors, who generally, are officers and employees of Cyprus companies. Generally, officers of a Cyprus law corporation may be treated as the management authority of a corporation, which however should not be equated with a management board within the meaning of Polish law.</p> <p>The management of the business and the conduct of the affairs of Asbisc Enterprises PLC (the “Company”) are vested in the Board of Directors. The Board of Directors takes its decisions in a group by majority voting. In case of an equality of votes, the chairman has a casting vote.</p> <p>Due to a fact that Cyprus companies do not have either a supervisory board nor a management board these terms used in this Best Practices refer to the Board of Directors of the Company.</p>			
I RECOMMENDATIONS FOR BEST PRACTICE FOR LISTED COMPANIES			
1.	<p>A company should pursue a transparent and effective information policy using both traditional methods and modern technologies ensuring fast, secure and broad access to information. Using such communication methods to the broadest extent possible, a company should ensure adequate communication with investors and analysts, enable on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on the company website.</p>	YES	<p>The company uses different channels to make communication with investors as effective as it can be. Some of the channels are:</p> <ul style="list-style-type: none"> - ESPI reports - Company’s website - Press releases - Press conferences - Cyclic meetings and contact with analysts and portfolio managers

			<ul style="list-style-type: none"> - Meetings with individual investors - Dedicated team to take care about contact with investors, as well as answering investors questions <p>The company still develops new channels of communication to ensure best possible access to information for investors.</p>
2.	A company should ensure effective access to information necessary to assess the company's situation and outlook as well as its operations.	YES	Company shares information with investors regarding company operations, financial situation and market position through all available means, e.g. the ESPI and company website
3.	A company should make every effort to ensure that any cancellation of a General Meeting or change of its date should not prevent or restrict the exercise of the shareholders' right to participate in a General Meeting.	YES	
4.	Where securities issued by a company are traded in different countries (or in different markets) and in different legal systems, the company should strive to ensure that corporate events related to the acquisition of rights by shareholders take place on the same dates in all the countries where such securities are traded.	N/A	Company is listed only at Warsaw Stock Exchange
5.	Remuneration of members of the company's governing bodies should correspond to the scope of tasks and responsibilities of the exercised function and be proportionate to the size of the company's business and reasonable in relation to its financial results.	YES	Remuneration comitee chaired by non-executive members reviews and approves remuneration of members of the company governing bodies.
6.	A member of the Supervisory Board should have appropriate expertise and experience and be able to devote the time necessary to perform his or her duties. A member of the Supervisory Board should take relevant action to ensure that the Supervisory Board is informed about issues significant to the company.	YES	Due to a fact that Cyprus companies do not have either a supervisory board nor a management board these terms used in this Best Practices refer to the Board of Directors of the Company and its non-executive Directors. (see the Introduction Note)

7.	<p>Each member of the Supervisory Board should act in the interests of the company and form independent decisions and judgments, and in particular:</p> <ul style="list-style-type: none"> - refuse to accept unreasonable benefits which could have a negative impact on the independence of his or her opinions and judgments; - raise explicit objections and separate opinions in any case when he or she deems that the decision of the Supervisory Board is contrary to the interest the company. 	YES	Due to a fact that Cyprus companies do not have either a supervisory board nor a management board these terms used in this Best Practices refer to the Board of Directors of the Company. (see the Introduction Note)
8.	No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related entities.	YES	
II BEST PRACTICE FOR MANAGEMENT BOARD OF LISTED COMPANIES			
1.	<p>A company should operate a corporate website and publish:</p> <ol style="list-style-type: none"> 1) basic corporate regulations, in particular the statutes and internal regulations of its governing bodies; 2) professional CVs of the members of its governing bodies; 3) current and periodic reports; 4) the date and place of a General Meeting, its agenda and draft resolutions together with their legal basis as well as other available materials related to the company's General Meetings, at least 14 days before the set date of the General Meeting; 5) where members of the company's governing body are elected by the General Meeting – the basis for proposed candidates for the company's Management Board and Supervisory Board available to the company, together with the professional CVs of the candidates within a timeframe enabling a review of the documents and an informed decision on a resolution; 6) annual reports on the activity of the Supervisory Board taking account of the work of its committees together with the evaluation of the work of the 	YES	Due to a fact that Cyprus companies do not have either a supervisory board nor a management board annual reports on the activity of the Supervisory Board taking account of the work of its committees together with the evaluation of the work of the Supervisory Board and of the internal control system and the significant risk management system are not published on the company website

	<p>Supervisory Board and of the internal control system and the significant risk management system submitted by the Supervisory Board;</p> <p>7) shareholders' questions on issues on the agenda submitted before and during a General Meeting together with answers to those questions;</p> <p>8) information about the reasons for cancellation of a General Meeting, change of its date or agenda together with grounds;</p> <p>9) information about breaks in a General Meetings and the grounds of those breaks;</p> <p>10) information on corporate events such as payment of the dividend, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles of such operations.</p> <p>Such information should be published within a timeframe enabling investors to make investment decisions;</p> <p>11) information known to the Management Board based on a statement by a member of the Supervisory Board on any relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting;</p> <p>12) where the company has introduced an employee incentive scheme based on shares or similar instruments – information about the projected cost to be incurred by the company from to its introduction;</p> <p>13) a report on compliance with the corporate governance rules contained in this document.</p>		
2.	<p>A company should publish its website in English, at least to the extent described in section II.1. <i>This rule should be applied not later than 1 January 2009.</i></p>	YES	
3.	<p>Before a company executes a significant agreement with a related entity, its Management Board shall request the approval of the transaction/agreement by the Supervisory Board. This condition does not apply to typical transactions made on market terms within the operating business by the company with a subsidiary where the company holds a majority stake. For the purpose of this document, the linked entity shall be understood within the meaning of the</p>	N/A	<p>This rule is non-applicable as the company has only one Board of Directors.</p>

	Regulation of the Minister of Finance dated 19 October 2005 concerning current and periodic reports submitted by issuers of securities.		
4.	A member of the Management Board should provide notification of any conflicts of interest which have arisen or may arise, to the Management Board and should refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such a conflict of interest.	YES	Cyprus Companies have only one Board. Individual Board members are obliged to disclose to the board any conflict of interest in connection with the performed function or of the risk of such conflict.
5.	Draft resolutions of a General Meeting should have grounds attached, with the exception of resolutions on points of order and typical resolutions adopted in the course of an Ordinary General Meeting. In view of the foregoing, the Management Board should present grounds or request the person motioning for the inclusion of an issue on the agenda of a General Meeting to provide grounds.	YES	
6.	A General Meeting should be attended by members of the Management Board who can answer questions submitted at the General Meeting.	YES	There is no Management Board. But the Company's Board of Directors members attend the General Shareholders Meeting in the number that makes it possible to answer all questions submitted by the shareholders. Company treats presence of Board of Directors members in the General Meeting as a substitute of Management Board members presence called in this rule.
7.	A company shall set the place and date of a General Meeting so as to enable the participation of the highest possible number of shareholders.	YES	The Company believes that the system of voting at its shareholders' meeting allows the participation of as many shareholders as possible. It is the practice of the Company to hold its shareholders meeting at its registered office. What is more, the Company intends to start internet transmission of the General Shareholders meetings if it is considered necessary to improve the shareholders attendance.

III BEST PRACTICE FOR SUPERVISORY BOARD MEMBERS

1.	<p>In addition to its responsibilities laid down in legal provisions the Supervisory Board should:</p> <p>1) once a year prepare and present to the Ordinary General Meeting a brief assessment of the company's standing including an evaluation of the internal control system and the significant risk management system;</p> <p>2) once a year prepare and present to the Ordinary General Meeting an evaluation of its work;</p> <p>3) review and present opinions on issues subject to resolutions of the General Meeting.</p>	N/A	<p>There is no supervisory board. The Directors and Auditors report together with the accounts are available to shareholders before the holding of the Annual General Meeting. A copy of every set of financial statements which is to be laid before the Company in an Annual general meeting, together with a copy of the Directors' and Auditors' report, shall be sent to every shareholder of the Company not less than twenty-one days before the date of the meeting.</p>
2.	<p>A member of the Supervisory Board should submit to the company's Management Board information on any relationship with a shareholder who holds shares representing not less than 5% of all votes at the General Meeting. This obligation concerns financial, family, and other relationships which may affect the position of the member of the Supervisory Board on issues decided by the Supervisory Board.</p>	YES	
3.	<p>A General Meeting should be attended by members of the Supervisory Board who can answer questions submitted at the General Meeting.</p>	YES	<p>There is no Supervisory Board. But the Company's Board of Directors members attend the General Shareholders Meeting in the number that makes it possible to answer all questions submitted by the shareholders Company treats presence of Board of Directors members in the General Meeting as a substitute of Management Board members presence called in this rule.</p>
4.	<p>A member of the Supervisory Board should notify any conflicts of interest which have arisen or may arise to the Supervisory Board and should refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such a conflict of interest.</p>	YES	<p>There is no Supervisory Board. But members of the Board of Directors are to notify any conflicts of interest and are to act according to this rule.</p>

5.	A member of the Supervisory Board should not resign from this function if this action could have a negative impact on the Supervisory Board's capacity to act, including the adoption of resolutions by the Supervisory Board.	YES	
6.	At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the <i>Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board</i> . Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.	YES	The Company treats non-executive directors in its Board as independent from the Company. Thus the Company always aims to have a number of non-executive directors in its Board who are called independent directors (see Introduction Note) However, because under Cyprus law there is only one Board and the management of the business and the conduct of the affairs of the Company are vested in the Directors it is not possible to have at least half of the Directors to be non-executive since it may hinder the operations of the Company.
7.	The Supervisory Board should establish at least an audit committee. The committee should include at least one member independent of the company and entities with significant connections with the company, who has qualifications in accounting and finance. In companies where the Supervisory Board consists of the minimum number of members required by law, the tasks of the committee may be performed by the Supervisory Board.	YES	Companies formed under Cyprus laws do not have a supervisory board or management board. Instead of that Board of Directors exists. The Company Board of directors include independent members (non-executive directors) as well as members with qualifications in accounting and finance. The audit committee and remuneration committee are working. The audit committee consists of two independent members (non-executive directors) and the Company Chief Financial Officer. The remuneration committee consists of two independent members (non-executive directors).

8.	Annex I to the <i>Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors...</i> should apply to the tasks and the operation of the committees of the Supervisory Board.	N/A	Companies formed under Cyprus laws do not have a supervisory board or management board. Instead of that Board of Directors exists.
9.	Execution by the company of an agreement/transaction with a related entity which meets the conditions of section II.3 requires the approval of the Supervisory Board.	NO	Companies formed under Cyprus laws do not have a supervisory board or management board. Instead of that Board of Directors exists. However agreements/transactions with a related entity which meets the conditions of section II.3 is a matter of approval of all members of the Board of Directors – including independent non-executive members.
IV BEST PRACTICES FOR SHAREHOLDERS			
1.	Presence of representatives of the media should be allowed at General Meetings.	YES	
2.	The rules of General Meetings should not restrict the participation of shareholders in General Meetings and the exercising of their rights. Amendments of the rules should take effect at the earliest as of the next General Meeting.	YES	
3.	Any shareholder who motions for the inclusion of an issue on the agenda of the General Meeting, including a motion to take an issue off the agenda, should provide grounds enabling an informed decision on the resolution.	YES	
4.	A resolution of the General Meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting it or obligate the competent body to set it before the date of subscription rights within a timeframe enabling an investment decision.	N/A	Board of Directors make the decision regarding issue of shares.
5.	Resolutions of the General Meeting should allow for a sufficient period of time between decisions causing specific corporate events and the date of setting the rights of shareholders pursuant to such events.	YES	
6.	The date of setting the right to dividend and the date of dividend payment should be set so to ensure the shortest possible period between them, in each	YES	

	case not longer than 15 business days. A longer period between these dates requires detailed grounds.		
7.	A resolution of the General Meeting concerning a conditional dividend payment may only contain such conditions whose potential fulfilment must take place before the date of setting the right to dividend.	YES	
8.	The General Meeting or the Supervisory Board should ensure that the company authorised to audit financial statements changes at least once every seven financial years.	YES	Please note that companies formed under Cyprus laws do not have a supervisory board or management board. Instead of that Board of Directors exists. Board of Directors ensure that the company authorized to audit financial statements changes at least once every seven financial years.