

# **Evaluation of methods used by Dekpol S.A. on disclosure obligations concerning application of corporate governance rules**

Information obligations concerning the application of the principles of corporate governance are defined in the Stock Exchange Regulations and Regulation of the Minister of Finance from 19 February 2009 Regarding Current and Periodic Information Published by Issuers of Securities and Conditions for Recognizing as Equivalent Information Required by the Laws of a Non-Member State.

Principles of provision of current reports regarding application of the detailed corporate governance rules defines the Resolution No. 1309/2015 of the Warsaw Stock Exchange Management Board dated 17 December 2015

According to § 1 of the above mentioned Resolution, Issuers obliged to report on the application of the detailed rules of corporate governance, as referred to in § 29.3 of the Exchange Rules in the wording effective as of 1 January 2016, shall provide such reports to the Exchange via the Electronic Information Database (EBI) in accordance with the provisions of Resolution No. 646/2011 of the Exchange Management Board dated 20 May 2011 (as amended).

According to § 29 paragraph. 3 of the Stock Exchange Rules in the version valid from 1 January 2016, should a specific detailed corporate governance rule not be applied on a permanent basis or be breached incidentally, the issuer shall publish a report containing information about which rule is not applied at all or has not been applied on an occasion, under what circumstances and for what reasons and how the issuer intends to remove effects, if any, of not having applied a given rule on an occasion or what steps it intends to take to mitigate the risk of the rule not being applied in the future. The report should be published at the issuer's official website and in the way analogous to that applied to submission of current reports. The obligation to publish the report should be performed as soon as the issuer becomes reasonably convinced that a given rule will not be applied at all or on an occasion, in any case promptly after an event representing a breach of a detailed corporate governance rule occurs. In 2015, the obligation to publish a report concerned derogation of the principles of good practices in parts II-IV of the onetime binding corpus.

Regulation of the Minister of Finance dated 19 February 2009 specifies what information should be included in the statement on application of corporate governance being a separate part of the report on the activities of the issuer in the Company's annual report.

During the financial year 2015 and the current 2016, the Supervisory Board kept controlled the fulfillment of the Company's disclosure obligations, acknowledging that the company kept proper meeting of both obligations to submit confidential, current and periodic information, as well as the submission of reports on application of the detailed principles of corporate governance.

In the current EBI report No. 1/2016 dated 22.01.2016, the Company submitted information on the range of rules which have not been adhered to, being a part of Best Practices for GPW Listed

Companies in 2016, the circumstances and causes of non-adherence to rules. Derogation from the application of the principles set in the Code of Best Practice for GPW Listed Companies in 2016 were the subject of analysis of the Supervisory Board on the meeting dated 03 February 2016.

In understanding of Supervisory Board, information presented by the Company on non-adherence to some of the principles of good practices is comprehensive and includes clear and reasonable justification for deviations from their use.

Pinczyn, 23 May 2016