

# **ATM S.A. CORPORATE GOVERNANCE STATEMENT**

## **General principles**

### **I. The company goal**

The basic goal of company management's activities is to further the company's interests, understood as increasing the value of the capital entrusted to the company by its shareholders, taking also into consideration the rights and interests of other entities involved in the company operations, particularly its creditors and employees.

### **II. Rule of the majority with protection of the minority**

A joint-stock company is a capital-based venture. Therefore, such company must respect the principle that the capital majority rules and has primacy over the minority. A shareholder who has contributed a larger capital incurs also a greater business risk. So it is justified that the shareholders' interests are taken into consideration commensurately with the contributed capital. On the other hand, the minority shareholders must have adequate protection of their rights, to the extent determined by the law and decency. While exercising their rights, majority shareholders should take into consideration the interests of minority shareholders.

### **III. Honest intentions and non-abuse of rights**

Exercising one's rights and taking advantage of legal instruments should be based on honest intentions (good faith) and cannot exceed the business purpose and justification of such instruments. No actions should be taken which would violate the law by exceeding those limitations. The minority should be protected against abusing the owner's rights by the majority, while at the same time the majority's interests should be protected against abusing their rights by the minority, so that all just interests of shareholders and other business players are protected as much as possible.

### **IV. Court control**

The company governing bodies and persons chairing the general assembly cannot determine issues which are subject to determination by court. This principle does not apply to actions to which the company governing bodies or persons chairing the general assembly are authorized or obliged by the law.

## V. Independency of opinions ordered by the company

While selecting an entity for providing expert services, and in particular auditing, financial consulting, tax consulting, and legal services, the company should take into consideration whether there are any circumstances which might limit such entity's independency in performing the ordered tasks.

No.	PRINCIPLE	YES/NO	REMARKS
<b>GOOD PRACTICES RELATED TO THE GENERAL MEETINGS</b>			
1	The venue, date, and time of a General Meeting should enable participation of as many shareholders as possible.	YES	<i>The General Meetings take place at the Company premises in Warsaw. The Company provides adequate conditions to conduct the meeting in a manner enabling participation of all announced shareholders.</i>
2	Any demand for calling the General Meeting and for adding any items to the agenda, filed by an entitled entity, should be justified. The draft resolutions to be passed by the General Meeting, as well as other important materials, should be presented to the shareholders, together with a justification and opinion of the Supervisory Board, sufficiently well in advance of the meeting to enable the shareholders to study and assess them.	YES	<i>The Executive Board presents a justification of the General Meeting call and of the specific agenda items. If a shareholder or a group of shareholders demands calling the General Meeting and adding specific items to the agenda without justification, the Executive Board is still obliged to call the General Meeting, but shall request such justification.</i>  <i>The Supervisory Board gives an opinion on each resolution of the General Meeting.</i>  <i>The draft resolutions to be passed by the General Meeting are presented to the shareholders in the current reports. Other important materials, including the justification and Supervisory Board's opinion, are published simultaneously at the Company website.</i>
3	A General Meeting called on shareholders' demand should take place on the date set forth in the demand, and if keeping such date is impossible due to certain significant circumstances, on a nearest date enabling the General Meeting to resolve the agenda items.	YES	<i>The Executive Board makes all efforts to conduct General Meetings called on shareholders' demand on the date set forth in the demand. If keeping such date is impossible for objective reasons, another date is set in coordination with the demanding parties.</i>
4	If certain authorized entities demand calling a General Meeting or adding specific items to the agenda, such meeting may be cancelled only with consent of the demanding entities. In other cases, a General Meeting may be cancelled due to extraordinary difficulties (force majeure) or if the proceedings would be obviously	YES	<i>As a rule, the Company does not cancel General Meetings which have been already called and does not change the meeting dates, except for extraordinary or particularly justified circumstances. In such circumstances, the rules stipulated by</i>

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	pointless. A cancellation of the General Meeting requires the same procedure to be followed as for calling the meeting and should be performed in a manner that minimizes any negative consequences to the company and the shareholders. The meeting may not be cancelled by less than three weeks before the planned date. A change of the General Meeting date requires the same procedure to be followed as for cancelling, even if the proposed agenda remains unchanged.		<i>this principle are complied with.</i>
5	Participation of a shareholder's representative in the General Meeting requires such person's right to act on behalf of the shareholder to be duly documented. It is assumed that a written document confirming the right to represent the shareholder at the General Meeting is lawful and does not require additional confirmation, unless the document authenticity or validity <i>prima facie</i> arouses doubts of the Executive Board (during recording in the attendance list) or of the General Meeting chairman.	YES	<i>To participate in the General Meeting and to exercise the voting right, the representative is required to have a written letter of attorney issued by authorized person, in compliance with the entry to the commercial register (for companies) or in compliance with the Civil Code (for natural persons).</i>
6	The General Meeting should have stable regulations stipulating the detailed rules of conducting the meeting and passing resolutions. The regulations should in particular contain provisions related to elections, including the election of the Supervisory Board through voting in separate groups.	YES	<i>There are General Meeting Regulations in force in the Company. The regulations contain, among others, provisions on conducting elections, including the election of the Supervisory Board through voting in separate groups. The regulations are available at the Company website.</i>
7	The person opening the General Meeting should make sure that the chairman is elected without delay, before any other substantial or formal issues are resolved.	YES	<i>A provision to this effect is contained in the Company's General Meeting Regulations.</i>
8	The General Meeting chairman should ensure efficient proceedings and observance of rights and interests of all shareholders. In particular, the chairman should counteract any attempts to abuse their rights by the meeting participants and ensure respecting the rights of minority shareholders. The chairman should not resign without important reasons and may not unreasonably delay signing the General Meeting minutes.	YES	<i>The Company's General Meeting Regulations contain provisions which partially implement this principle. It is fully implemented in practice by the Company.</i>
9	The General Meeting should be attended by members of the Supervisory Board and the Executive Board. The company's chartered auditor should attend each regular General Meeting, as well as any extraordinary General Meeting whose agenda includes company's financial	YES	<i>According to the Supervisory Board Regulations, the Supervisory Board members should attend each General Meeting. According to the Executive Board Regulations, the Executive Board is obliged to attend the General Meetings. In practice, the</i>

No.	PRINCIPLE	YES/NO	REMARKS
	matters. Any absence of a member of the Supervisory Board or the Executive Board requires presenting an explanation during the General Meeting.		<i>chartered auditor attends each regular General Meeting, as well as any extraordinary General Meeting whose agenda includes company's financial matters. The principle of explaining any absence of a person obliged to attend is respected.</i>
10	The members of the Supervisory Board and the Executive Board, as well as the company's chartered auditor, should provide the meeting participants with explanations and information related to the company, to the extent of their competencies and within the scope necessary to resolve the matters discussed at the meeting.	YES	<i>If necessary, the members of the Supervisory Board and the Executive Board, as well as the Company's chartered auditor, provide the meeting participants with explanations and information related to the company, to the extent of their competencies and within the scope necessary to resolve the discussed matters.</i>
11	The Executive Board should answer to the questions raised by General Meeting, taking into consideration that the company must perform its information obligations as stipulated by the regulations governing public trade of securities. Certain information may not be revealed in a manner other than stipulated by such regulations.	YES	<i>The Company's Executive Board does not restrict the scope of information requested by the General Meeting, but at the same time complies with the regulations governing the principles of publishing information by companies whose shares are traded publicly.</i>
12	In justified cases, the chairman may order a short pause in the General Meeting, not constituting an adjournment of the session. Such pause may not be ordered with the purpose to hinder the exercising of their rights by the shareholders.	YES	<i>This principle is complied with by the Company.</i>
13	Voting on formal matters may be applied only to matters related to the procedure. Such voting may not be applied to resolutions which might affect the exercising of their rights by the shareholders.	YES	<i>This principle is complied with by the Company.</i>
14	A resolution to abandon an agenda item may be passed only for important reasons. A motion of such decision must be justified in detail. An agenda item may be withdrawn or abandoned only with prior consent of all shareholders who have submitted such motion and with approval of 75% of votes of the General Meeting.	YES	<i>This principle is complied with in practice, although it is not formally stipulated by the Company's documents.</i>
15	A person raising an objection against a resolution should have a possibility to briefly justify the objection.	YES	<i>This principle is complied with in practice. The objection and its justification are entered into the General Meeting minutes.</i>
16	Due to the fact that the Commercial Company Code does not envisage court supervision in case of non-adopting a resolution by the General Meeting, the	YES	<i>The General Meeting chairman is responsible for wording the resolutions in compliance with this principle. The Company Executive</i>

No.	PRINCIPLE	YES/NO	REMARKS
	Executive Board or the General Meeting chairman should word each resolution in a manner enabling any authorized party objecting to the resolution substance to appeal against it to the court.		<i>Board enables also the chairman to take advantage of the Company's legal advisors.</i>
17	On request of any participant of the General Meeting, his/her written statement should be included into the minutes.	YES	<i>According to the existing practice, written statements of General Meeting participants are included into the minutes.</i>
<b>GOOD PRACTICES RELATED TO THE SUPERVISORY BOARD</b>			
18	The Supervisory Board submits yearly to the General Meeting a brief assessment of the company's situation. The assessment should be made available to all shareholders, sufficiently in advance to enable them to study it before the regular General Meeting.	YES	<i>According to the Company Charter and the Supervisory Board Regulations, the Supervisory Board prepares every year a brief assessment of the Company's situation. The assessment is made available to the shareholders at the Company website, on the same date as the yearly report, and is presented to the General Meeting.</i>
19	A member of the Supervisory Board must have appropriate education, professional experience, and life experience, must comply with high moral standards, and must be able to devote a necessary amount of time to properly perform the functions in the Supervisory Board. Candidacies to the Supervisory Board should be filed and justified in detail, in a manner enabling the voters to make an informed decision.	YES	<i>The criteria for selecting Company's Supervisory Board members comply with those set forth in this principle. Information on the Supervisory Board members' education and professional experience is published at the Company website.</i>
20a 20b 20c	At least a half of the Supervisory Board members should be independent, subject to subpoint 20d below. The independent members of the Supervisory Board should not be related to the Company, its shareholders, or its employees in a manner that might influence impartiality of the given member's decisions. The detailed criteria of such independency should be set forth in the company charter. Approval of a majority of the independent Supervisory Board members is required to pass a resolution on the following matters: <ul style="list-style-type: none"> <li>• benefits of whatever description from the company or company's affiliates to members of the Executive Board;</li> <li>• consent for entering into a significant agreement between the company or its subsidiary and a company affiliate, member of the Supervisory Board, member of the Executive Board, or an entity affiliated to the member of the Supervisory Board or Executive Board;</li> <li>• selecting the chartered auditor for auditing</li> </ul>	YES	<i>According to the Company Charter, three out of the five members of the Supervisory Board are independent members. Such independency is determined on the basis of a written statement submitted by the member. A definition of an independent member is provided in the Company Charter. According to the existing practice, resolutions on matters set forth in this principle require approval of a majority of the independent members.</i>

No.	PRINCIPLE	YES/NO	REMARKS
	the company's yearly report.		
20d	In a company where one shareholder has a block of shares entitling to more than 50% of the votes, the Supervisory Board should have at least two independent members, including the chairman of the audit committee (if such committee is established).	YES	<i>At present, there is no shareholder of the Company with more than 50% of the votes, but generally the principle is complied with.</i>
21	Each member of the Supervisory Board should first of all take into account the company's interest.	YES	<i>The Supervisory Board members implement this principle, as confirmed by their written statement.</i>
22	Supervisory Board members should take appropriate steps to regularly obtain from the Executive Board comprehensive information about all important issues pertaining to the company operations and about the risk involved in such operations and methods of managing such risk.	YES	<i>At each meeting of the Supervisory Board, the Executive Board presents any important issues pertaining to the company operations. In urgent cases and in response to raised questions, the Supervisory Board members are informed by the General Meeting through document circulation. The Company Charter specifies which issues may be resolved by the Executive Board only with approval of the Supervisory Board.</i>
23	In case of any conflict of interests, a Supervisory Board member should inform the remaining members and refrain from discussing or voting on any resolution related to the issue subject to such conflict of interests.	YES	<i>The practice of the Company's Supervisory Board complies with this principle.</i>
24	All information about personal, factual, or organizational relationships between a Supervisory Board member and a specific shareholder, particularly a majority shareholder, should be available publicly. The company should have a procedure in place to obtain such information from the Supervisory Board members and to publish it.	YES	<i>Candidates to the Supervisory Board submit a written statement to this effect, which is published at the Company website.</i>
25	Meetings of the Supervisory Board should be available and open to the members of the Executive Board, except for issues directly connected with the Executive Board or its members, such as their dismissals, responsibility, and remuneration.	YES	<i>Members of the Executive Board are invited to meetings of the Supervisory Board and actively participate in them, except for those parts of the meeting which are directly connected with the Executive Board members.</i>
26	A member of the Supervisory Board should enable the Executive Board to publish, under a proper procedure, information about any transactions of selling or purchasing shares of the company or its dominating or subsidiary companies, as well as about any other transactions with such companies which significantly influence such member's material	YES	<i>This principle is complied with in practice.</i>

No.	PRINCIPLE	YES/NO	REMARKS
	situation.		
27	Remuneration of the Supervisory Board members should be set according to clear procedures and rules. Such remuneration should be fair, but should not constitute a significant item in the company's operating costs nor significantly influence the company's financial results. Also, the remuneration should be reasonably commensurate with the remuneration of the Executive Board members. The total amount of the remuneration, as well as the remuneration of individual Supervisory Board members, analyzed by individual remuneration components, should be revealed in the yearly report, together with information about the procedures and rules on which the remuneration is based.	YES	<i>The remuneration of Supervisory Board members is set by the General Meeting, using the criteria set forth in this principle. The information about remuneration of the Supervisory Board members is provided in the yearly report.</i>
28	The Supervisory Board should act in compliance with its regulations which should be publicly available. The regulations should provide for establishment of at least two committees: • the audit committee; and • the remuneration committee. The audit committee should include at least two independent members and at least one of its members should have qualifications and experience in the field of accounting and finances. The tasks of the committees should be defined in detail in the Supervisory Board regulations. The committees should submit to the Supervisory Board yearly reports on their activities and such reports should be available to the shareholders.	YES/NO	<i>The Company's Supervisory Board Regulations are published at the Company website. Due to the small number of Supervisory Board members, the regulations do not envisage establishing the audit committee and the remuneration committee. Those functions are performed collectively by the Supervisory Board.</i>
29	The Supervisory Board meeting agenda should not be changed or supplemented in the course of the meeting covered by the agenda. The above provision is not obligatory if all Supervisory Board members are present and approve such change or supplementation of the agenda, if the Supervisory Board must undertake specific actions in order to protect the company from a damage, or if the additional agenda item is a resolution determining whether a conflict of interests exists between a Supervisory Board member and the company.	YES	<i>This principle is complied with in practice.</i>
30	The Supervisory Board member (if any) appointed by a group of shareholders to exercise continuous supervision should submit to the Supervisory Board detailed reports of his/her activities.	YES	<i>At present there is no person appointed to exercise continuous supervision, but should such person be appointed, this principle would be complied with.</i>

No.	PRINCIPLE	YES/NO	REMARKS
31	A Supervisory Board member should not resign during his/her term if such step would make it impossible for the Supervisory Board to perform its duties, and in particular if it would make it impossible to pass an important resolution in due time.	YES	<i>This principle is complied with and stipulated by the Supervisory Board regulations.</i>
<b>GOOD PRACTICES RELATED TO THE EXECUTIVE BOARD</b>			
32	The Executive Board, taking into account the company's interests, sets the strategy and main goals of the company operations and submits them to the Supervisory Board. The Executive Board is responsible for implementation and fulfillment of such strategy and goals. The Executive Board is responsible for a clear and efficient system of company management and for conducting the company affairs in compliance with the law and with good practices.	YES	<i>This principle is complied with in practice and is reflected in the Executive Board regulations.</i>
33	While making decisions on the company matters, the Executive Board members should act within the limit of reasonable business risk, i.e. having considered all information, analyses, and opinions which in the Executive Board's reasonable judgment should be taken into account in the given case to protect the company's interests. While determining the company's interests, it is necessary to take into consideration long-term interests of the shareholders, creditors, and employees of the company, as well as interests of other entities and persons cooperating with the company in its business operations and interests of the local communities.	YES	<i>This principle is complied with according to the best knowledge and experience of the Executive Board.</i>
34	While entering into transactions with shareholders and other persons whose interests influence the company's interests, the Executive Board should act with extraordinary care to ensure that the transaction is concluded under arm's length conditions.	YES	<i>In such cases, the Executive Board exercises extraordinary care to ensure that the interests of the company and its shareholders are not injured.</i>
35	An Executive Board member should be fully loyal to the company and refrain from any activities which provide financial benefits only to such member. If an Executive Board member obtains information about an opportunity to make an investment or to perform another transaction related to the company business, the member should present such information without delay to the Executive Board for consideration whether it might be used to the company's advantage. Such	YES	<i>This principle is complied with in practice.</i>

No.	PRINCIPLE	YES/NO	REMARKS
	information may be used by the Executive Board member or passed to a third party only with consent of the Executive Board and only if it does not violate the company's interests.		
36	An Executive Board member should treat the owned stock of the company or of its dominating and subsidiary entities as a long-term investment only.	YES	<i>This principle is complied with in practice.</i>
37	Executive Board members should inform the Supervisory Board about any actual or potential conflict of interests in connection with the performed function.	YES	<i>This principle is complied with in practice.</i>
38	The remuneration of Executive Board members should be set according to clear procedures and rules, taking into consideration its motivating nature and the necessity to ensure effective and smooth management of the company. The remuneration should be commensurate with the company size, reasonably related to the company financial results, and related to the scope of responsibility at the given position. Also, the remuneration should take into consideration remuneration of executive board members in other companies on a comparable market.	YES	<i>The remuneration of Executive Board members is set by the Supervisory Board, taking into consideration the criteria set forth in this principle.</i>
39	The total amount of remuneration of the Executive Board members, as well as the remuneration of individual members, analyzed by individual remuneration components, should be revealed in the yearly report, together with information about the procedures and rules on which the remuneration is based. If the amounts of remuneration of individual members differ significantly, it is recommended to publish an appropriate explanation.	YES	<i>The amounts of remuneration of Executive Board members are published in the yearly report, in compliance with the provisions of this principle.</i>
40	The Executive Board should define its principles, procedures, and division of competencies in regulations which should be open and publicly available.	YES	<i>The principles and procedures of the Executive Board functioning and division of competencies of its members are contained in the Executive Board Regulations. The regulations are published at the Company website.</i>
<b>GOOD PRACTICES RELATED TO EXTERNAL PERSONS AND INSTITUTIONS</b>			
41	The entity performing the function of company's chartered auditor should be selected in a manner ensuring its independency in performance of its duties.	YES	<i>The chartered accountant is selected by the Supervisory Board. The person providing the auditing services makes a statement of compliance with the regulatory criteria of impartiality and independency, both before and after</i>

No.	PRINCIPLE	YES/NO	REMARKS
			<i>the audit.</i>
42	In order to ensure independency of opinion, the company should change the chartered auditor at least every five years. To satisfy this requirement, it is sufficient to change the person performing the audit. However, over a longer period, the company should also change the auditing firm.	YES	<i>The Company complies in practice with this principle.</i>
43	The entity performing the function of chartered auditor should be selected by the Supervisory Board, after considering a recommendation of the auditing committee, or by the General Meeting, after considering a recommendation of the Supervisory Board, based on the recommendation of the auditing committee. If the Supervisory Board or General Meeting selects other entity than one recommended by the auditing committee, such selection should be justified in detail. The information about selecting the chartered auditor should be included into the yearly report, together with justification.	YES/NO	<i>Due to the fact that there is no auditing committee in the Company, the chartered auditor is selected by the Supervisory Board, after considering a recommendation of the Executive Board. The Supervisory Board is not obliged to approve the Executive Board's recommendation.</i>
44	Special cases may not be audited by the same entity which is performing the chartered auditor function currently or was performing it during the audited period, either in the company or in its subsidiaries.	YES	<i>Should an auditor for special cases be appointed, the Company would comply with this principle.</i>
45	The company may purchase its own stock only in a manner which gives no privileges to any particular group of shareholders.	YES	<i>The Company has not purchased its own stock yet, but should such transaction be performed, this principle would be complied with.</i>
46	The company charter, basic internal regulations, information and documents related to the General Meetings, and financial reports should be available in the company office and at its website.	YES	<i>The Company charter, basic internal regulations, information and documents related to the General Meetings, and financial reports are available in the Company office and at its website.</i>
47	The company should have appropriate procedures and rules in place to regulate contacts with the media and the company's information policy, in order to ensure that consistent and reliable information about the company is provided. The company should provide the media with information about its current activities and economic situation, as well as enable media representatives to attend General Meetings, to the extent as that complies with the law and takes into account the company's interest.	YES	<i>The Company pays a lot of attention to contacts with the media and to the information policy. According to the existing procedures and rules, the Company publishes media releases about all important events taking place in the Company, in addition to the information published in the current reports as stipulated by the law. Furthermore, the Company organizes press conferences and open days after publishing each quarterly report.</i>
48	The company should publish in its yearly	YES	<i>The Company publishes, in its yearly</i>

No.	PRINCIPLE	YES/NO	REMARKS
	report a statement on compliance with the corporate governance principles. In case of any non-compliance with such principles, the company must publicly justify such non-compliance.		<i>report and at its website, the statement on compliance with the corporate governance principles.</i>