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Information on non-application of certain corporate governance standards

The Management Board of RAWLPLUG S.A. presents below the corporate governance standards that will not be applied or that will be applied in a limited scope:

Chapter I. Best-practice recommendations for listed companies:

“12. The company should ensure that shareholders may participate in general meetings using electronic means of communication.”

The Company does not apply this principle, and does not intend to do so in the future, because of the following:

- too much risk of technical problems arising in connection with long-distance communications during the meetings, which could result in shareholders not being able to properly exercise their voting rights, and
- a low level of shareholder interest in this form of general meetings.

Chapter II. Best practice for management boards of listed companies:

“9. a) Recording of general meetings, in audio or video format.”

The Company currently does not record general meetings in either audio or video format. The Company is considering introducing this at a later time.

Chapter III. Best practices for supervisory board members:

“1. Aside from the activities ascribed by the law, the supervisory board should:

1) prepare and present to the general meeting, once a year, a concise description of the company’ situation, with consideration given to assessment of the company’s internal control system and risk management system.”

The Supervisory Board does not prepare a separate concise description of the Company’s situation for the General Meeting in the scope presented above. According to the Company, the annual assessment of the management report and financial statements prepared by the Supervisory Board contains elements that enable the General Meeting to appropriately assess the Company’s situation.

“3) To examine and provide opinions on issues that are to be the subject of General Meeting resolutions.”

Presently, the Company’s Articles of Association do not provide for examining and issuing opinions by the Supervisory Board on issues that are to be the subject of General Meeting resolutions. The reason for this is the fact that the binding provisions of the Polish Commercial Companies Code do not impose this type of requirement on the Supervisory Board as an authority of a public limited company. Therefore, the Company did not include the above requirement in its Articles of Association and hence cannot impose it on the members of the Supervisory Board. However, it may not be ruled out that the Company will decide to amend its Articles of Association in this regard in the nearest future.

“8. As regards the tasks and functions of the committees operating within the supervisory board, Annex I to Commission Recommendation of 15 February 2005 on the role of non-executive directors (...) should be applied.”

The role of the nominating and remuneration committees is performed by the Company’s Supervisory Board in a team-based approach.

Chapter IV. Best practices for shareholders:

“10. The company should allow its shareholders the option of participating in general meetings using electronic communications.”

The Company does not apply this principle, and does not intend to do so in the near future, due to the following:

- too much risk of technical problems arising in connection with long-distance communications during the meetings, which could result in shareholders not being able to properly exercise their voting rights, and
- a low level of shareholder interest in this form of general meetings.