

Company: Zespół Elektrowni Pątnów-Adamów-Konin Spółka Akcyjna

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Market type: CORPORATE GOVERNANCE - regulated market

Title: Zespół Elektrowni Pątnów-Adamów-Konin Spółka Akcyjna Statement on the company's compliance with Corporate Governance Principles

Contents of the report:

Zespół Elektrowni „Pątnów-Adamów-Konin” S.A., according to § 29 article. 3 of Warsaw Stock Exchange Regulations, submits the report on non compliance with detailed principles contained in „Code of Best Practice for WSE Listed Companies 2016”:

Disclosure Policy, Investor Communications

I.Z.1.10. financial projections, if the company has decided to publish them, published at least in the last 5 years, including information about the degree of their implementation,

The principle not applicable.

The company does not publish financial projections.

I.Z.1.20. an audio or video recording of a general meeting,

The principle is not applied.

Taking into consideration the company's experience, according to which most of the company's shareholders directly participate in the deliberations of the general meeting as well as the fact that the recording of the course of the general meeting could be involved with substantial costs and potential difficulties of organizational, technical and legal nature, the company does not record and broadcast the course of the general meeting. In case of notification about a need of recording general meeting announced by bigger group of shareholders, the company will consider such possibility.

Internal Systems and Functions

III.Z.6. Where the company has no separate internal audit function in its organisation, the audit committee (or the supervisory board if it performs the functions of the audit committee) should review on an annual basis whether such function needs to be separated.

The principle not applicable.

The company has separate internal audit function.

General Meeting, Shareholder Relations

IV.Z.2. If justified by the structure of shareholders, companies should ensure publicly available real-time broadcasts of general meetings.

The principle is not applied.

According to the company's assessment, current shareholders structure does not justify real-life broadcast of the general meeting. Taking into consideration the company's experience, according to which most of the company's shareholders directly participate in the deliberations of the general meeting as well as the fact that the recording and broadcasting of the course of the general meeting could be involved with substantial costs and potential difficulties of organizational, technical and legal nature, the company does not record and broadcast the course of the general meeting. So far the company did not receive shareholder's notifications of general meeting broadcasting. In case of such a notification announced by bigger group of shareholders, the company will consider recording and broadcasting of general meeting.

IV.Z.5. The rules of general meetings and the method of conducting the meeting and adopting resolutions must not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules of the general meeting should take effect at the earliest as of the next general meeting.

Comments of the Company concerning compliance with this principle.

There are no formal rules of general meeting in the company. However the practice of the method of conducting the meeting and adopting resolutions does not restrict the participation of shareholders in general meetings and the exercising of their rights.

Remuneration

VI.Z.1. Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term financial standing of the company and long-term shareholder value creation as well as the company's stability.

The principle not applicable.

There are no incentive schemes in the company.

VI.Z.2. VI.Z.2. To tie the remuneration of members of the management board and key managers to the company's long-term business and financial goals, the period between the allocation of options or other instruments linked to the company's shares under the incentive scheme and their exercisability should be no less than two years.

The principle not applicable.

There are no incentive schemes based on options or other instruments linked to the company's shares.

VI.Z.4. VI.Z.4. In this activity report, the company should report on the remuneration policy including at least the following:

- 1) general information about the company's remuneration system;
- 2) information about the conditions and amounts of remuneration of each management board member broken down by fixed and variable remuneration components, including the key parameters of setting the variable remuneration components and the terms of payment of severance allowances and other amounts due on termination of employment, contract or other similar legal relationship, separately for the company and each member of its group;
- 3) information about non-financial remuneration components due to each management board member and key manager;
- 4) significant amendments of the remuneration policy in the last financial year or information about their absence;
- 5) assessment of the implementation of the remuneration policy in terms of achievement of its goals, in particular long-term shareholder value creation and the company's stability.

Comments of the Company concerning compliance with this principle.

In case of points 4 and 5 the principle is not applicable because there is no remuneration policy in the company.

Attachments: PL_GPW_dobre_praktyki_PAK.pdf

EN_GPW_dobre_praktyki_PAK.pdf

Signatures of persons representing the company:

Aneta Lato-Żuchowska, Vice President of the Management Board

Adrian Kaźmierczak, Vice President of the Management Board