

## Current Report No. 1/2013

(Friday, 11 January 2013)

*Legal basis: Regulations of the WSE*

### Compliance with corporate governance rules

Further to the amended Best Practices for WSE Listed Companies coming into force as of 1 January 2013, introduced by virtue of Resolution No. 19/1307/2012 of the Supervisory Board of the WSE of 21 November 2012, acting pursuant to art. 29.5 of the Stock Exchange Regulations, the Management Board of AB S.A. submits for the public record a statement on non-application by the Company of certain corporate governance rules from the amended Code of Best Practices for Warsaw Stock Exchange Listed Companies.

#### List of corporate governance rules which will not be applied by the Company

No.	RULE	AB S.A.'S COMMENTARY
<b><u>I. RECOMMENDATIONS REGARDING BEST PRACTICES FOR STOCK EXCHANGE LISTED COMPANIES</u></b>		
12.	The Company should enable its shareholders exercising, either in person or through a proxy, the right to vote at the General Shareholders Meeting from a location other than the place of the meeting with the use of electronic communication means.	The Company's corporate documents (Articles of Association, Regulations of the General Shareholders Meeting) do not provide for the possibility of participating at the General Meeting using means of electronic communication, or for the use of voting rights by means of electronic means of communication.

**II. GOOD PRACTICES IMPLEMENTED BY MANAGEMENT  
BOARDS OF STOCK EXCHANGE LISTED COMPANIES**

1.	<p>The Company runs a corporate website where it publishes the following information, apart from information required by the law:</p> <p>2a) annually, in each fourth quarter – information on the share of men and women in the Management Board and the Supervisory Board in the period of the last two years, and members of the Company’s governing bodies</p> <p>9a) audio or video broadcast of the General Shareholders Meeting</p>	<p>Selection of candidates for the members of the Company’s governing bodies is based only on professional criteria, that is qualifications and experience. The Company does not provide information on the percentage share of men and women in the Company’s governing bodies so that investors do not get the impression that some other criteria, apart from professional factors, are taken into account in the selection of candidates. Apart from that, the composition of the Company’s governing bodies is made public, therefore information on the percentage share of men and women in the governing bodies has no cognitive value.</p> <p>The Company does not provide for publishing audio or video broadcast of the General Shareholders Meeting on its website. Resolutions adopted at the General Shareholders Meeting are immediately published by the Company in the form of current reports and placed on its website, which, in the Company’s opinion, in a transparent manner ensures access to relevant information.</p>
----	--	---

**III. GOOD PRATCICES APPLIED BY MEMBERS OF  
SUPERVISORY BOARDS**

9.	<p>Conclusion of an agreement/transaction with an associated entity by the Company, fulfilling conditions specified in Rule No. 11, requires the approval of the Supervisory Board.</p>	<p>The rule is applied, only it does not require the approval of the Supervisory Board for each conclusion of an agreement with a subsidiary. Rule No. II. 3. requires such approval only with respect to specific agreements, separated under criteria that are not strictly defined. The final decision belongs to the Management Board. Therefore, inclusion of such a requirement in the Articles of Associations is pointless in the Company’s opinion. Art. 14 of the Company’s Articles of Association includes a number of limitations, as a result virtually every material agreement concluded by a subsidiary requires the approval of the Supervisory Board.</p>
----	---	--

#### **IV. GOOD PRACTICES APPLIED BY SHAREHOLDERS**

10.	<p>The Company should enable its shareholders participation in the General Shareholders Meeting with the use of electronic communication means, consisting in:</p> <ol style="list-style-type: none"><li>1) broadcast of the General Shareholders Meeting in real time</li><li>2) bilateral communication in real time, in which shareholders may take the floor in the General Shareholders Meeting from a location other than the place of the meeting.</li></ol>	<p>The Company's corporate documents (Articles of Association, Regulations of the General Shareholders Meeting) do not provide for the possibility of participating and speaking at the General Meeting using means of electronic communication. In the Company's opinion, implementation of this rule involves technical and legal threats, which may affect appropriate and uninterrupted course of General Shareholders Meetings and safe flow of information during real time communication.</p>
-----	---	--