

2015

**STALEXPORT AUTOSTRADY S.A.
MANAGEMENT BOARD'S REPORT
ON THE ACTIVITIES
OF THE COMPANY
IN 2015**

Mysłowice | 2 March 2016



**STALEXPORT
AUTOSTRADY S.A.**

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***This document is a free translation of the Polish original.
The binding Polish original should be referred to in matters of interpretation.***

Definitions and abbreviations

The table below presents the definitions of the abbreviations used in this Report.

ADT	Average Daily Traffic
ASPI	Autostrade per l'Italia S.p.A. with its registered office in Rome (Italy)
Atlantia	Atlantia S.p.A. with its registered office in Rome (Italy)
Financing Banks	Portigon AG (London Branch), FM Bank PBP S.A., FMS Wertmanagement, KfW IPEX-Bank GmbH and PEKAO S.A.
Biuro Centrum	Biuro Centrum Sp. z o.o. with its registered office in Katowice
Deloitte	Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k. (formerly Deloitte Audyt Sp. z o.o.) with its registered office in Warsaw, Al. Jana Pawła II nr 19, entered on the list of entities authorised to audit financial statements kept by the National Chamber of Statutory Auditors under No. 73
GDDKiA	General Directorate for National Roads and Motorways
GPW	Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.)
Capital Group, Stalexport Autostrady Group, Group	Stalexport Autostrady S.A. Group in Mysłowice
KSH	The Act of 15 September 2000 – the Code of Commercial Companies (Dz.U. [Journal of Laws] 2000 No. 94 item 1037 as amended)
Independent Engineer	JPL Project Sp. z o.o. with its registered office in Warsaw
PPP	Public-Private Partnership
SAM, Concessionaire	Stalexport Autostrada Małopolska S.A. with its registered office in Mysłowice
Report	Management Board's Report on the Activities of Stalexport Autostrady S.A. in 2015
Stalexport Autoroute	Stalexport Autoroute S.a.r.l. with its registered office in Luxembourg
Stalexport Autostrady, Company	Stalexport Autostrady S.A. with its registered office in Mysłowice

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Concession Agreement

The Concession Agreement dated 19 September 1997 on building through conversion of the A4 motorway section: Katowice (Murckowska Junction, 340.2 km) – Kraków (Balice Junction, 401.1 km) to the toll motorway standards and motorway operation on this section, including amendments made based on the appendices, rights and obligations under which were totally transferred from Stalexport Autostrady to SAM on 26 July 2004

Project Loan Agreement

Loan Agreement dated 28 December 2005, entered into between SAM and the banks, i.e. WESTLB BANK POLSKA S.A., Warsaw, WESTLB AG (London Branch), DEPFA BANK PLC, Dublin, Ireland, KfW Frankfurt, Germany and BANK BPH SPÓŁKA AKCYJNA, Warsaw. The objective of the Loan Agreement was to grant the loan of PLN 380 million to finance the A4 toll motorway project on Katowice-Kraków section (i.e. to finance the construction works of Phase IIa and to refinance the construction works of Phase I)

VIA4

VIA4 Spółka Akcyjna with its registered office in Mysłowice

GM

General Meeting

1. Letter from the President of the Management Board of Stalexport Autostrady

Sir/Madam,
Dear Shareholders,



2015 was a stable and a relatively peaceful period in terms of Stalexport Autostrady S.A.'s activities. The Company was performing its tasks in the area of corporate governance in relation to Group companies and in the area of the lease of office space in a building co-owned by the Company, located in the centre of Katowice. Corporate governance was primarily related to the companies responsible for the management, toll collection and maintenance of the Katowice-Kraków section of the A4 motorway.

The Company recorded the revenue of PLN 3.75 million, which was similar to that in 2014 (PLN 3.79 million), and the net profit amounted to PLN 5.1 million. The revenue from the lease of office space in 2015 was similar to the same as in 2014 and amounted to PLN 3.3 million, which should be considered a good result, given a noticeable increase in the number of new office buildings in Katowice as well as modernised older properties.

In 2015, modernisation of the ventilation and air-conditioning system in the office building located in the centre of Katowice was started and will continue in 2016.

As to the results of Stalexport Autostrady S.A. Group, the revenue increased by approximately 18% as compared to 2014 and amounted to PLN 262.5 million.

The said increase was primarily due to a change in toll rates for using the Katowice-Kraków section of the A4 motorway, which took place on 1 March 2015, and to an increase in traffic to almost 37 thousand vehicles per day, i.e. by 8.6% as compared to 2014.

The most important investment phase associated with an increase in the flow capacity of the toll collection plazas was completed in 2015, namely the toll collection equipment was replaced, and the new one, apart from the traditional method of paying by cash or bank cards, allows fast payments by means of fleet, fuel and proximity cards designed for frequent motorway users (the so-called **KartA4**). Given a significant traffic growth in 2015 and the fact that we expect this tendency to continue, we are analysing the potential for further increase in the flow capacity of the toll collection plazas, focusing in particular on the study of the possibility of launching the electronic toll collection system which would enable the motorway users to pass through the toll collection gates in the stop & go and slow & go mode.

I would like to stress again that we are interested in extending our motorway activities to include new projects should any new invitation to tender in relation to the construction and/or operation of motorways under

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the public-private partnership be issued. We also take into account the involvement of capital in the existing concession projects if such an opportunity arises.

More detailed information on the activities of individual Group companies can be found in the Management Board's Report on the Activities of Stalexport Autostrady Group in 2015.

I would also like to encourage you to read the Management Board's Report on the Activities in 2015 and the financial statements of Stalexport Autostrady S.A. for 2015.

I would like to thank the Shareholders and the capital market analysts for their interest in our Company. Furthermore, I would like to thank the Supervisory Board for support and help.

I would also like to thank all employees of the Group for their commitment, responsibility and effort put into our undertakings.

Stay in touch with us. All your suggestions and ideas are welcome.

Enjoy the reading.

Yours sincerely,

President of the Management Board

CEO



Emil Wąsacz

2. Basic information on Stalexport Autostrady

2.1. Basic corporate data and history of Stalexport Autostrady

ul. Piaskowa 20
41-404 Mysłowice
phone: +(48) 32 762 75 45
fax: +(48) 32 762 75 56

Management Board:

Emil Wąsacz – President of the Management Board, CEO
Mariusz Serwa – Vice-president of the Management Board, CFO

KRS [National Court Register]:
0000016854
NIP [VAT No.]:
634-013-42-11
REGON [National Official Business Register No.]:
271936361

Share capital: PLN 185,446,517.25
(paid in full)

www.stalexport-autostrady.pl

Stalexport Autostrady S.A. plays the primary role in the Group that is focused on the upgrade and expansion of the motorway infrastructure. The Company was the first Polish company to be granted a concession to implement the pioneering project on the operation, reconstruction and adaptation of the A4 Katowice-Kraków motorway section to the toll motorway requirements.

In 2004, the concession was transferred to an entity established specifically for the purpose of implementing the provisions of the Concession Agreement, i.e. Stalexport Autostrada Małopolska S.A.

Since the middle of 2006, the Company has been part of the Italian Atlantia Group. At the moment, Atlantia Group manages a network of approximately 5,000 km of toll motorways in Italy, Brazil, Chile, India and in Poland, and it is an automatic motorway toll collection system leader. For more information about Atlantia Group, visit its website at www.atlantia.it.

Apart from the activities associated with the construction and operation of toll motorways, the Company is also involved in leasing office space in a building it co-owns, located in Katowice.

2.2. Stalexport Autostrady Group

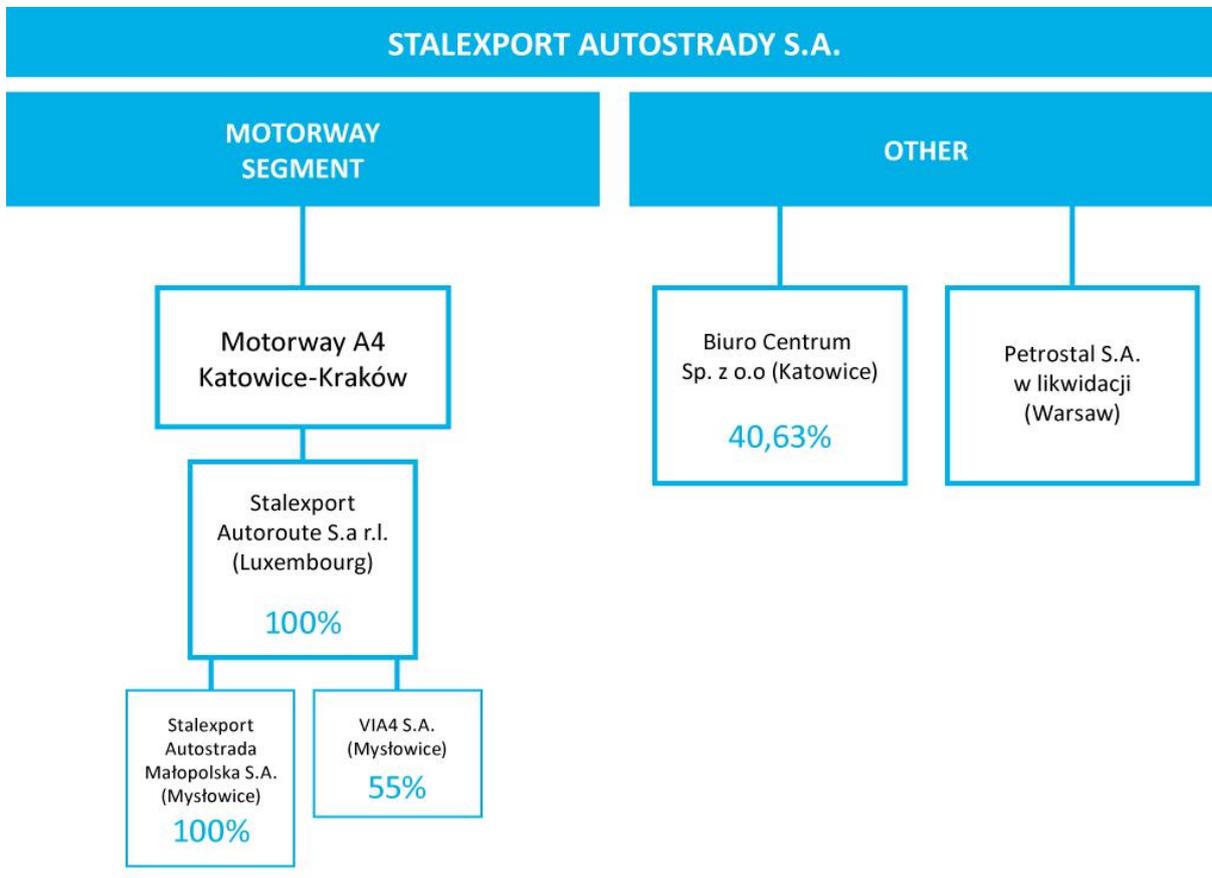
At present, the operations of the Company and entities belonging to its Group focus primarily on activities related to motorways. They include operation and maintenance of the Katowice-Kraków section of the A4 motorway. The activities are conducted by SAM and VIA4 through the special purpose holding: Stalexport Autoroute.

Additionally, owing to the fact that Stalexport Autostrady Group co-owns the office building in the centre of Katowice, it provides services related to leasing office and parking space. These activities are carried out by the Company itself, as the co-owner of the property, as well as by its affiliate Biuro Centrum Sp. z o.o., as the property managing entity.

The chart below presents the organisational structure of Stalexport Autostrady Group broken down into: (i) core area of activities, i.e. the motorway segment, and (ii) other activities.

FIGURE 1

Organisational chart of Stalexport Autostrady Group as at 31 December 2015



Source: Internal analysis

The table 1 includes basic consolidated data of Stalexport Autostrady Group as well as separate data regarding the three major entities belonging to the Group, i.e. Stalexport Autostrady, SAM and VIA4. Apart from the results achieved by the said companies in 2015, for the purpose of comparison, we also included the results achieved by the companies in the corresponding period of the previous year, whereas for the balance sheet data, we presented the figures as at 31 December 2015 and 31 December 2014.

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TABLE 1

Basic financial data of selected entities from the Group [figures in PLN '000]

	Group		Stalexport Autostrady		SAM		VIA4	
balance sheet data	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14	31.12.15	31.12.14
Non-current assets	1,170,249	1,133,520	76,516	76,980	1,155,278	1,118,277	9,287	9,588
Current assets	205,048	182,355	134,574	127,725	63,221	48,061	13,929	11,784
Total equity	423,095	304,924	206,836	201,718	271,170	160,261	11,051	9,114
Non-current liabilities	766,960	874,081	69	2,082	765,956	871,078	5,682	6,004
Current liabilities	185,242	136,870	4,185	905	181,373	134,999	6,483	6,254
Net debt***	-134,382	14,597	-119,132	-114,029	-7,213	132,624	5,455	6,496
Performance data	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	262,508	222,543	3,752	3,792	258,042	218,437	40,736	37,978
Gross profit	196,924	133,000	-165	153	175,220	112,864	20,634	18,782
EBITDA*	216,518	178,854	-3,246	-2,980	202,213	166,778	17,731	15,266
EBIT	169,712	107,260	-3,781	-3,577	157,414	97,171	16,278	13,895
Net finance income / expenses	-21,696	-26,859	8,854	9,255	-24,482	-30,231	-297	-394
Net profit	119,410	65,403	5,114	6,180	107,191	53,913	12,912	10,903
EBIT margin**	65%	48%	-101%	-94%	61%	44%	40%	37%
ROE	28%	21%	2%	3%	40%	34%	117%	120%

*EBITDA = EBIT + depreciation and amortisation + provision for motorway resurfacing **EBIT margin = EBIT / Revenue

*** Net debt = total liabilities – provision for capital expenditures – derivatives (net of deferred tax impact) – non-current deposits – cash and cash equivalents

Source: Internal analysis

3. Stalexport Autostrady – financial analysis

3.1. Presentation of financial results

The table below shows the Company's basic financial results achieved in 2015 and comparative 2014 figures.

TABLE 2

Selected items of the statement of comprehensive income of Stalexport Autostrady in 2015 and 2014 (separate figures)

PLN '000	2015	2014	Change [%]
Revenue	3,752	3,792	-1%
Cost of sales	-3,917	-3,639	8%
Gross profit/(loss)	-165	153	-208%
Other income	155	234	-34%
Administrative expenses	-3,718	-3,961	-6%
Other expenses	-53	-3	1,667%
Results from operating activities (EBIT)	-3,781	-3,577	6%
Finance income	9,007	9,430	-4%
Finance expenses	-153	-175	-13%
Net finance expense	8,854	9,255	-4%
Profit before income tax	5,073	5,678	-11%
Income tax expense	41	502	-
Profit for the period	5,114	6,180	-17%

Source: Internal analysis based on the Company's separate financial statement

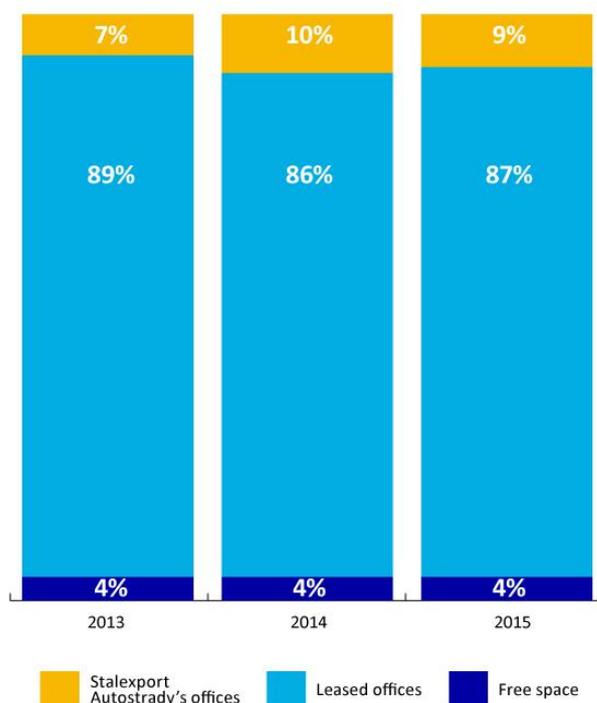
The amount of profit for the period generated in 2015 was mainly a result of positive financial operations described in detail in section 3.1.3 of this Report.

3.1.1. Amount and structure of revenue

Stalexport Autostrady runs its motorway business via its subsidiaries. Thus, the separate **revenue** generated by the Company includes mainly the services related to the lease of office space in the office building in Katowice at ul. Mickiewicza 29 and parking spaces located near this office building. In 2015, Stalexport Autostrady generated the total revenue in relation to this operation in the amount of PLN 3,303 thousand as compared to PLN 3,352 thousand generated in 2014.

FIGURE 2

The structure of office space usage in the office building in Katowice at ul. Mickiewicza 29



Stalexport Autostrady is a co-owner of the office building in Katowice at ul. Mickiewicza 29. As such, the Company has at its sole disposal the office space of 4,735 m² [1 m = 3.2809 ft] (and additionally 212 m² of conference rooms). At the end of 2015, 178 m² of this office space was occupied by Stalexport Autostrady for its own needs (same as at the end of 2014).

Currently, the unoccupied office space is near to the minimum level possible from the technical point of view that results from a natural rotation of lessees and preparation (refurbishment or redecoration) of rooms in order to lease them out to third parties. This year, the plan is to continue the efforts in order to maintain the current number of lessees while maintaining the optimum rent rates.

Source: Internal analysis

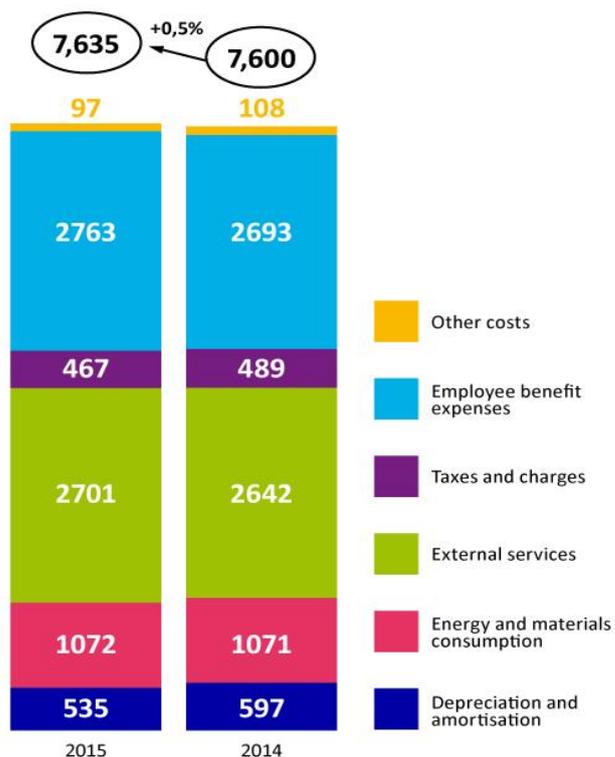
Other revenue amounting to PLN 449 thousand was generated by the Company in relation to services, including mainly work related to IT services and the fee received from VIA4 for the performance guarantee granted to this company. In 2015, this revenue increased by PLN 9 thousand as compared to the previous year. The above-mentioned sources are the **permanent elements of revenue** of Stalexport Autostrady and their value in the future periods should be similar to that reported in 2015.

3.1.2. Amount and structure of operating expenses

In 2015, the value of expenses incurred by Stalexport Autostrady – including the cost of sales and administrative expenses – increased by 0.5%.

FIGURE 3

The structure of costs by type related to the Company's operations



Costs of employee benefits, including remunerations, account for the largest part of costs by type incurred by Stalexport Autostrady. In 2015, these costs slightly increased as compared to 2014.

Outsourcing (including property administration services, repairs, cleaning services, property security services, rental and lease services, and consultancy services) accounts for the second largest item in the structure of the Company's expenses by nature. In 2015, the outsourcing costs were also slightly higher than in 2014.

In 2015, the consumption of materials and energy remained at the similar level as in 2014. Depreciation and amortisation was in 2015 slightly lower than in 2014.

Source: Internal analysis (PLN thousand)

In 2015, other expenses amounted to PLN 53 thousand.

3.1.3. Financial operations

The financial operations of the Company significantly affect net profit generated by Stalexport Autostrady. On the one hand, it is a result of the nature of the Company's operations (managing the Group), and on the other of the amount of funds that may be used to implement future motorway projects.

The figures in this area of operation are to the greatest extent affected by finance income which in 2015 included mainly the following:

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- dividends received from the subsidiary Stalexport Autoroute (PLN 5,805 thousand);
- interest related to depositing financial resources in banks (PLN 2,683 thousand);
- interest related to the finance lease (PLN 330 thousand).

In 2015, the total finance income amounted to PLN 9,007 thousand and was by PLN 423 thousand lower than in the previous year, mostly as a result of lower interest rates.

As to the finance expenses in 2015, they were influenced by revaluation write-offs related to the impairment of shares of IDEON S.A. and Dom Maklerski BDM S.A., and totalled PLN 153 thousand, which was higher than in 2014 (PLN 63 thousand). In addition, in the comparative period, the amount of finance expenses was affected by interest on the liability towards the State Treasury (PLN 104 thousand) under the agreement of 1 September 2004 for the repayment of debt related to the guarantee granted to Huta Ostrowiec S.A. (currently in bankruptcy) in 1997. In July 2014, in line with the schedule, Stalexport Autostrady paid the last instalment on the account of the above-mentioned liability.

3.2. Material and financial position

The material and financial position of Stalexport Autostrady was presented on the basis of the synthetic report on the financial position presented in the table below. This report shows the structure of assets and liabilities of the Company and the dynamics of particular items, year over year.

TABLE 3

A synthetic report on Stalexport Autostrady's statement of financial position as at 31 December 2015 and 31 December 2014 – separate figures

PLN '000	Dynamics			Structure	
	31.12.2015	31.12.2014	2015/2014	31.12.2015	31.12.2014
Non-current assets	76,516	76,980	-1%	36%	38%
Current assets	134,574	127,725	5%	64%	62%
Equity	206,836	201,718	3%	98%	99%
Non-current liabilities	69	2,082	-97%	0%	1%
Current liabilities	4,185	905	362%	2%	0%
Balance sheet total	211,090	204,705	3%	100%	100%

Source: Internal analysis based on the Company's financial statements

3.2.1. Assets

As far as the structure of **non-current assets** is concerned, the main items include the shares of the subsidiary running the motorway business, i.e. Stalexport Autoroute (PLN 67,086 thousand). The decrease in the non-current assets reported in the analysed period was mainly due to depreciation of non-current assets, intangible assets and investment property in the amount of PLN 535 thousand (PLN 597 thousand in 2014) and a decrease in receivables related to the finance lease by PLN 576 thousand (in 2014, a decrease by PLN 622 thousand). On the other hand, the amount of non-current assets was also affected by an increase in deferred tax assets by PLN 77 thousand and by an increase in the value of investment properties by PLN 180 thousand as a total effect of expenditures incurred for modernisation of the ventilation and air-conditioning system, reclassification of property, plant and equipment items and depreciation.

The amount of **current assets** depends on the funds that may be used to implement future motorway projects. Until these funds are allocated for projects related to the core business line of the Company, Stalexport Autostrady deposits them on the money market in the form of short-term bank deposits.

Other significant items of Stalexport Autostrady's current assets include the shares held for sale (the shares of IDEON S.A. and Dom Maklerski BDM S.A.) in the amount of PLN 1,581 thousand as well as trade and other receivables amounting to PLN 7,965 thousand, including net overdue receivables in the amount of PLN 5,900 thousand.

3.2.2. Equity and Liabilities

In 2015, with the exception of the transfer of the part of profit generated in 2014 to other reserve capitals and supplementary capital, the structure of the equity was not significantly changed.

As at 31 December 2015, the total liabilities of the Company amounted to PLN 4,254 thousand and an increase in this item by PLN 1,267 thousand as compared to 31 December 2014 was mainly a result of an increase by PLN 1,004 thousand in other employee benefit obligations.

4. Analysis of the core business of the Company

Taking into account the present condition of the road infrastructure and development needs, the Ministry of Infrastructure developed the "Programme for Construction of National Roads for the Years 2014–2023 (with perspective of 2025)" (hereinafter referred to as the "Programme"). On 8 September 2015, the Programme was approved by the resolution of the Council of Ministers.

This document defines the objectives and priorities, both in terms of investments and of road network maintenance. The Programme indicates the physical scope scheduled to be implemented in the years 2014–2023 as far as new road investments are concerned. The estimated level of capital flow for their implementation under the National Road Fund is estimated at PLN 107 billion. This amount is allocated for the implementation of investment tasks consisting in the construction of motorways, expressways and ring roads around certain towns.

Apart from the financing under the National Road Fund, the Programme provides for the construction of motorway sections in the off-budget (commercial) system, but still under the control of the public party, mostly through a special purpose vehicle operating in the road sector. This could potentially affect the construction of certain sections of the motorways A1, A2 and A18, with the investment priority to the construction of the Tuszyn-Częstochowa section of the A1 motorway. The Programme does not mention the financing of road infrastructure in the classic public-private partnership system.

As the policy of the public party changes frequently, the Company plans to analyse the situation on this market on the date-to-date basis.

If any new invitation to public tender being of interest to Stalexport Autostrady is issued, it shall be analysed by the Company and if it is positively verified and meets the strategic objectives of the Group, the Company shall decide to participate in such a tender.

The Company does not exclude the option of equity investment in some of the existing concession projects in Poland if another participant of the projects is ready to quit the project or if one of the consortiums looks for additional capital support.

Moreover, bearing in mind a high level of public debt and budget deficit, one should not overlook the possibility of infrastructure privatisation, also as regards motorways currently under the management of the public party. The experience of Italy and France in this respect shows that such a step allows for a rapid reduction in the public debt and for speeding up the process of infrastructure development, with the standards of safety and quality met. This issue, however, has not yet entered the public debate.

5. Other information on Stalexport Autostrady

5.1. Information on contracts significant for the Company's and the Group's operating activity, including contracts between the shareholders as well as insurance and cooperation contracts the Company is aware of

On 15 June 2015, SAM (hereinafter referred to as the "Employer") signed a significant agreement with the consortium of Pavimental S.p.A. with its registered office in Italy, Via Giuseppe Donati 174, Rome 00159, and Pavimental Polska Sp. z o.o. with its registered office in Warsaw (00-013), ul. Królewska 16 (hereinafter referred to as the "Contractor").

The subject of the agreement is the performance of Contract F2b-8-2014 "Extension of Mysłowice Junction and Construction of Rudno Junction on the A4 Katowice-Kraków Motorway" whose net value is PLN 22,046 thousand (hereinafter referred to as the "Contract").

The General Conditions of the above-mentioned Contract will be the "Conditions of Contract for Construction for Building and Engineering Works Designed by the Employer", published by Fédération Internationale des Ingénieurs-Conseils (FIDIC), first ed. 1999, "Red Book", hereinafter referred to as the Conditions of Contract.

The agreement provides for the following liquidated damages for the Contractor:

- delay damages – liquidated damages limit under Clause 8.7 of the Conditions of Contract is 15% of the approved net Contract price,
- damages for failure to remedy defects by the fixed date – liquidated damages limit under Clause 11.4 of the Conditions of Contract is 15% of the approved net Contract price.

On 5 February 2016, SAM (hereinafter referred to as the "Employer") signed a significant agreement with the consortium of Pavimental Polska Sp. z o.o. with its registered office in Warsaw (00-013), ul. Królewska 16, and Pavimental S.p.A. with its registered office in Italy, Via Giuseppe Donati 174, Rome 00159 (hereinafter referred to as the "Contractor").

The subject of the agreement is the performance of Contract HM-3-2016 "Resurfacing 2016–2017" Flat-Rate Contract with a Fixed Price of PLN 40,227 thousand net (hereinafter referred to as the "Contract").

The General Conditions of the above-mentioned Contract will be the "Conditions of Contract for Construction for Building and Engineering Works Designed by the Employer", first ed. 1999, published by Fédération Internationale des Ingénieurs-Conseils (FIDIC), "Red Book", a copy in Polish (fourth English-Polish edition, unchanged, 2008). The General Conditions of Contract will be complemented by the Specific Conditions of Contract. The General Conditions of Contract remain in force unless the Specific Conditions of Contract provide otherwise. The General Conditions of Contract and the Specific Conditions of Contract form together the Conditions of Contract.

The agreement provides for the following liquidated damages for the Contractor:

- delay damages – liquidated damages limit under Clause 8.7 of the Conditions of Contract is 15% of the approved net Contract price,
- damages for failure to remedy defects by the fixed date – liquidated damages limit under Clause 11.4 of the Conditions of Contract is 15% of the approved net Contract price.
- damages for unjustified traffic hindrances – liquidated damages limit under Clause 8.13 of the Conditions of Contract is 2% of the approved net Contract price.

The Management Board of the Company also gives notice that due to a large scope of work related to the implementation of the above-mentioned Contract, the "Rules of conduct in the case of repair construction works carried out between toll collection plazas, resulting in failure to meet the motorway standard", adopted for use by Stalexport Autostrada Małopolska S.A. and published on the website of SAM (www.autostrada-a4.pl), will apply.

In the reporting period and by the date of this Report, no other contracts significant for the Group's operating activity have been entered into.

5.2. Information on changes in organisational or capital relations of the Group with other entities

On 18 May 2015, the Company's Management Board received from ALTUS Towarzystwo Funduszy Inwestycyjnych S.A. with its registered office in Warsaw (hereinafter referred to as "ALTUS TFI S.A" and "Towarzystwo") the notification of the reduction in the number of held shares of Stalexport Autostrady S.A. and of going below the threshold of 5% of the total number of votes by investment funds managed by ALTUS TFI S.A.

The share in the total number of votes in the Company was reduced as a result of the settlement, on 12 May 2015, of the transactions related to the sale of 1,540,000 Company's shares on the regulated market of 8 May 2015.

Immediately before the operation resulting in the reduction in the total number of votes in the Company, the investment funds managed by Towarzystwo held a total of 12,457,481 Company's shares, representing 5.04% of the Company's share capital, entitling to 12,457,481 votes in the Company, representing 5.04% of the total number of votes in the Company.

After the change, the investment funds managed by Towarzystwo held a total of 10,917,481 Company's shares, representing 4.42% of the Company's share capital, entitling to 10,917,481 votes in the Company, representing 4.42% of the total number of votes in the Company.

There were no other similar changes in the reporting period and by the date of this Report.

5.3. Description of transactions with affiliated companies and information on transactions concluded by the Company or its subsidiaries with affiliated companies on the terms different than market terms

(i) Transaction with affiliated companies for the single or total transaction value exceeding in the financial year the amount of EUR 500,000

In the case of the Company, in the financial year, there were two transactions meeting the above-mentioned criteria:

- In 2015, Stalexport Autostrady was incurring costs as per maintenance cost estimates and estimates for investments related to the safety and functioning of the office facility located in Katowice at ul. Mickiewicza 29. All of the above-mentioned expenses were covered by the agency of Biuro Centrum and their total amount on the part of Stalexport Autostrady was PLN 3,011 thousand. It is the equivalent of approximately EUR 707 thousand (based on the National Bank of Poland's average exchange rate as at 31 December 2015);
- In 2015, Stalexport Autoroute transferred (in instalments) to Stalexport Autostrady a dividend in the total amount of PLN 5,805 thousand, which is the equivalent of approximately EUR 1,362 thousand (based on the National Bank of Poland's average exchange rate as at 31 December 2015).

(ii) Information on transactions concluded by the Company or its subsidiaries with affiliated companies on terms different than market terms

All transactions concluded by the Company or its subsidiaries with affiliated companies were carried out on the market terms. However, the Management Board of the Company would like to draw the attention to five significant contracts entered into by its subsidiaries with the affiliated companies.

- The first material contract is the **Operation and Maintenance Agreement** which was initially entered into in 1998 by and between Stalexport Autostrady and VIA4. The current agreement was entered into by and between **SAM and VIA4** on 22 March 2006. The Operation and Maintenance Agreement was entered into for the period of the Concession Agreement (until 2027) and its scope includes clearly defined works connected with A4 concession project, including toll collection services and current maintenance and operation of the motorway (including winter maintenance). The contractual level of operator's remuneration in the period of the Agreement in a long-term separates the risk of impact of the frequent market price changes on maintenance and operation costs and ensures continuity of services and operation throughout many years of investment project execution. In 2015, the value of the transactions between SAM and VIA4 under the above-mentioned Agreement amounted to PLN 39,494 thousand.

Considering the specificity and the scope of the above-mentioned Agreement and very limited market for that type of services, it is difficult to compare the provisions of the Operation and Maintenance Agreement to the terms which may be provided on the so-called free market. Nevertheless, in the opinion of the Company's Management Board, the above-mentioned Agreement was entered into on the market terms and its provisions do not differ from the terms which might be provided if it has been signed with an entity not belonging to the Group.

- The second material contract is the **contract entered into by and between SAM and Autostrade-Tech S.p.A.** (this entity is a member of Atlantia Group which holds 100% of shares of Autostrade-Tech S.p.A.) **for the Replacement of the Toll Collection Equipment (RTCE)**. The contractor for this contract was selected on the basis of the established tendering procedures. On 31 May 2012, SAM sent invitations to tender to the selected companies. By the deadline (i.e. by 10 July 2012), the offers from the following two companies were submitted: (i) Autostrade-Tech S.p.A. and (ii) Egis Project S.A. As a result of the tender committee works with the participation of the Independent Engineer, the offer of Autostrade Tech S.p.A. was deemed the best. The contract with this company was entered into on 14 September 2012 upon the approval of the Financing Banks. The contract is being implemented based on the "Design&Build" formula.

To ensure full compliance of the scope of the RTCE contract with the current stage of the extension of both Toll Collection Plazas, it was necessary to issue variation orders No. 1, No. 2, No. 3, No. 4 and No. 5. As a result of the above and in connection with the determination of additional costs associated with extending the time for the execution of the contract, its current value is PLN 25,183 thousand. The current scope of contract may be extended by making new payment methods available. The net value of works accounted for under this contract amounts to PLN 22,624 thousand (i.e. 89.83% of the current contract value), of which the amount of PLN 6,302 thousand was accounted for in 2015.

In the opinion of the Company's Management Board, the above-mentioned contract was entered into on the market terms and its terms do not differ from the terms which might be provided if it has been signed with an entity not belonging to the Group.

- The third material contract is the **contract entered into by and between SAM and the consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o.** (these entities are members of Atlantia Group which holds 99.6% of shares of Pavimental S.p.A., i.e. the sole shareholder of Pavimental Polska Sp. z o.o.) **for the rebuilding of the A-4 motorway water drainage system for 11 catchment areas in the Silesia Province**. The selection of the contractor for this contract was based on the two-stage tendering procedure, the conditions of which were agreed with GDDKiA (pursuant to the provisions of the Concession

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Agreement, the Concessionaire selects each contractor by means of a tender and GDDKIA has a right to verify the tendering criteria and conditions before announcing each of the tenders) and with the Financing Banks. The notice of invitation to tender was published on 22 April 2013. The tender dossier was provided to five prospective tenderers. By the deadline, i.e. by 5 June 2013, only one offer submitted by the consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. was received. Having opened and having verified the offer, the tender committee found it to be valid and complete. It was also found that the amount offered for the execution of the contract is higher than the value specified in the investor's cost estimate. Upon an analysis of the offer components carried out by members of the tender committee and upon negotiations with the consortium, the contract value was finally reduced and approved in the amount of PLN 19,803 thousand. The contract was entered into on 26 July 2013. The work commencement order was issued on 3 September 2013 and the time for the performance of works under this contract is 450 days from this date.

As a consequence of variation orders No. 1 (18 February 2014) and No. 2 (26 March 2015), the scope of works was increased by an additional catchment area and necessary works to make the ditches passable, and the final contract value was increased to the amount of PLN 20,425 thousand. The main works were completed in the initial period stipulated in the contract, i.e. by 27 November 2014. However, due to delays in obtaining the necessary administrative permits necessary to perform certain works and to a defect identified in one of the storage reservoirs, which required design and repair works to be carried out, the works completion period was extended. The total net value of works invoiced by the consortium on the account of this contract amounts to PLN 19,745 thousand (i.e. 96.67% of the current contract value), of which the amount of PLN 322 thousand was invoiced in 2015.

Taking into consideration the procedure for the selection of the entity to execute the above-mentioned contract, in the opinion of the Company's Management Board its terms should be deemed market terms.



- The fourth material contract is the **contract entered into by and between SAM and the consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o.** (these entities are members of Atlantia Group which holds 99.6% of shares of Pavimental S.p.A., i.e. the sole shareholder of Pavimental Polska Sp. z o.o.) **for the resurfacing of four motorway sections, of the total length of 11.3 km and making a thin overlay on the section of the total length of 1.86 km.** The contractor was selected in the tender procedure.

The contract was entered into for the amount of PLN 12,932 thousand on 11 August 2014 and the time for the performance of works under the contract was 80 days from this date.

On 30 October 2014, the Independent Engineer issued the variation order No. 1 for the change of the technology of the performance of works on the N15bL section. The above-mentioned change entailed the lowering of the contractual value of the contract to the amount of PLN 12,776 thousand. The consortium performed all the works in the second half of 2014. The main surface works were completed on 29 October 2014, and complementary works in November 2014. On 26 March 2015, the Independent Engineer issued the variation order No. 2 for the expansion of the contract to include additional surface works, i.e. making a thin overlay on the existing surface on the 3.61 km long section on one roadway. As a result of variation order No. 2, the contract value increased to the amount of PLN 14.807 thousand. The work covered by the variation order No. 2 was performed in the second and third quarter of 2015 and the contract was completed. The total net value of works invoiced by the consortium on the account of this contract amounted to PLN 14,807 thousand (i.e. 100 % of the contract value).

Taking into consideration the procedure for the selection of the entity to execute the above-mentioned contract, in the opinion of the Company's Management Board its terms should be deemed market terms.

- The fifth material contract is the **contract entered into by and between SAM and the consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o.** (these entities are members of Atlantia Group which holds 99.6% of shares of Pavimental S.p.A., i.e. the sole shareholder of Pavimental Polska Sp. z o.o.) **for the extension of Myslowice junction and construction of Rudno junction.**

The notice of invitation to tender was published on 4 March 2015 and the tender dossier had been provided to tenderers since 9 March 2015. The offer submission deadline was scheduled for 20 April 2015. Only one offer submitted by the consortium of Pavimental S.p.A. and Pavimental Polska Sp. z o.o. was received by the above-mentioned deadline. The consortium offered to perform all Works at the net price of PLN 22,046 thousand. As a result of the tender procedure, the consortium of companies became the contractor and the construction work contract was entered into on 15 June 2015.

The works began on 1 July 2015 and the expected duration of the contract is 300 days. Mobilisation was completed in the fourth quarter of 2015. The total net value of works invoiced by the consortium on the account of this contract amounts to PLN 3,171 thousand (i.e. 14.38% of the contract value).

5.4. Information regarding contracts on credits and loans incurred and revoked in the financial year

In 2015, the Company did not raise any credits or loans and no credit or loan agreement was terminated.

5.5. Information on loans granted in the financial year, in particular loans granted to the affiliated companies

In 2015, the Company did not grant any loans to the affiliated companies or entities not belonging to the Group.

5.6. Information on guarantees granted and received in the financial year, in particular guarantees granted to the affiliated companies

In 2015, the Company did not grant nor received any guarantees. As at the end of 2015, the Company has a contingent liability under the performance guarantee towards VIA4 in the amount of PLN 19,402 thousand. The Company receives remuneration on this account.

5.7. Information on issuance of securities including the description of the usage of the proceeds of the issue by the Company

In 2015, the Company did not issue any securities.

5.8. Explanation of differences between the financial results presented in the annual report and previously published financial result forecasts for the financial year

The Company did not publish any financial result forecasts for 2015.

5.9. Evaluation of funds management, including in particular the Company's ability to pay off its liabilities and determination of potential threats and actions taken by Stalexport Autostrady or actions it intends to take in order to prevent these threats

Currently, there are no threats related to liquidity. Free funds held by Stalexport Autostrady are sufficient to pay off the liabilities and may be used to finance future motorway projects. Currently, free funds are deposited in the form of short-term bank deposits. These deposits generate additional financial income.

5.10. Investment plans feasibility assessment

In 2015, the Company allocated the amount of PLN 600 thousand for the investments in non-current assets. The entire amount was spent on the replacement of the ventilation and air-conditioning equipment in the office building in Katowice.

CAPEX for 2016 is to be allocated to continuation of modernisation of the ventilation and air-conditioning system and execution of the necessary work related to the requirements for safety and use of the office building at ul. Mickiewicza 29 in Katowice. They shall be financed with Stalexport Autostrady's own funds.

5.11. Assessment of the factors and unusual events affecting the operation results in the reporting period and the description of the impact of these factors or unusual events on the achieved result

In 2015, the Company did not record any factors or unusual events affecting the operation results.

5.12. Description of the external and internal factors significant for the Company's development and perspectives for the business development

Detailed information was presented in the following Sections of this document:

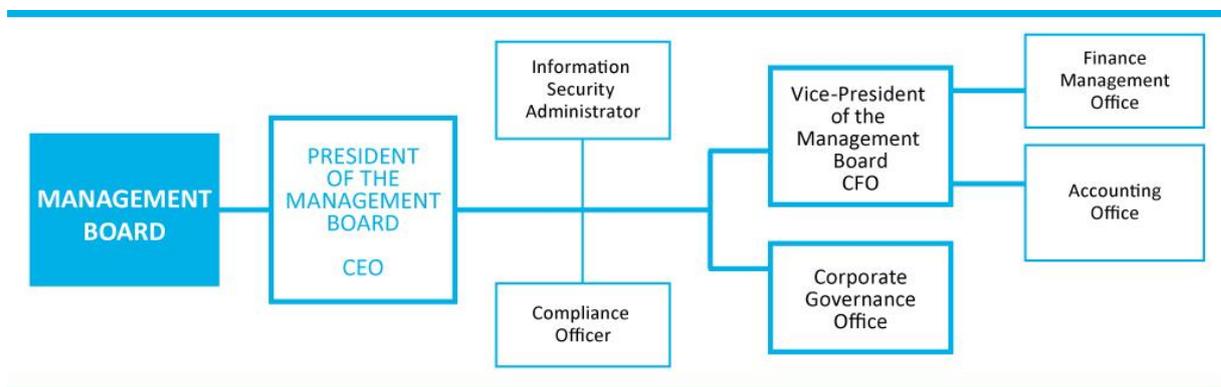
- Section 3 of the Report (Stalexport Autostrady – financial analysis),
- Section 4 of the Report (Analysis of the core business of the Company),
- Section 6 of the Report (Perspectives for development and major risks and threats; description of the external and internal factors significant for Stalexport Autostrady's development).

5.13. Changes to the basic principles for the Company's management and essential information for the employment situation assessment

Organisational structure of Stalexport Autostrady

In 2015, the Company's organisational structure was slightly modified due to the creation of the position of Information Security Administrator. The Company's organisational chart as at 31 December 2015 is shown below.

FIGURE 4
Organisational structure of Stalexport Autostrady S.A. as at 31 December 2015



Source: Internal analysis

Furthermore, as at 31 December 2015, a decrease in the number of employees to 22 (6 1/8 FTE) was recorded as compared to 31 December 2014, when there were 23 employees (6 3/8 FTE).

5.14. Information regarding the agreements between the Company and the managing persons providing for compensation if they resign or are made redundant without valid reason or if they are recalled or dismissed because of Company's merger by takeover

The contracts with persons being in 2015 members of the Management Board provide for the following:

- in the case of Emil Wąsacz – a 6-month severance pay in the case of recalling before the end of the term of office;
- in the case of Mariusz Serwa – 6-month remuneration in the case of termination of the contract by the Company, excluding termination for reasons attributable to the managing person.

5.15. Remuneration of the managing and supervising persons of Stalexport Autostrady

Pursuant to the Statutes of Stalexport Autostrady, the rules for the Management Board members' remuneration payment are defined by the Supervisory Board. In 2015, the total remuneration paid to the Company's managing persons, i.e. members of the Management Board, amounted to PLN 845.9 thousand. The total remuneration of the Company's managing persons received for being a member of the subsidiaries' governing bodies in the same period amounted to PLN 1,078.9 thousand. The detailed information regarding the amount of remuneration of the Company's managing persons in 2015 is presented in the table below.

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TABLE 4

Remuneration paid in 2015 to the Company's managing persons [figures in PLN '000]

No.	Name and surname	Position in the Company	Remuneration, rewards or profit amounts paid within the Company	Remuneration amounts received for being a member of the subsidiaries' governing bodies	TOTAL
1.	Emil Wąsacz	President of the Management Board CEO	673.3	585.6	1,258.9
2.	Mariusz Serwa	Vice-president of the Management Board CFO	172.6	493.3	665.9
x	TOTAL		845.9	1,078.9	1,924.8

Source: Internal analysis

The remuneration amounts presented in the table above include the payment of the amount of PLN 181.8 thousand on the account of an annual bonus paid out in 2015 and concerning 2014, which was included in the provision created for 2014.

The provision for the Management Board's bonuses for 2015 in the amount of PLN 199 thousand and the provision of the payment of the three-year incentive plan covering the period between January 2013 and December 2015 in the amount of PLN 994 thousand were entered into books for 2015.

Pursuant to the Statutes of Stalexport Autostrady, the rules for the Supervisory Board members' remuneration payment are defined by the General Meeting.

In 2015, the total remuneration of the members of the Supervisory Board amounted to PLN 63 thousand. The detailed information regarding the amount of the remuneration paid to individual persons serving as members of the Supervisory Board of Stalexport Autostrady in this period are presented in the table below.

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TABLE 5

Remuneration paid in 2015 to the members of the Company's Supervisory Board [figures in PLN '000]

No.	Name and surname	Position in the Supervisory Board of Stalexport Autostrady	Remuneration amount
1.	Roberto Mengucci	Chairman	did not receive remuneration
2.	Aleksander Galos	Deputy Chairman	33.6
3.	Michelangelo Damasco	Secretary	did not receive remuneration
4.	Nicoló Caffo	Member	did not receive remuneration
5.	Tadeusz Włudyka	Member	29.4
6.	Costantino Ivoi	Member	did not receive remuneration
7.	Pietro La Barbera	Member	did not receive remuneration
	TOTAL		63.0

Source: Internal analysis

There are no incentive or bonus programmes based on the Company's capital, including programmes based on senior bonds, convertible bonds, warrants (in cash, in kind or any other form), paid, due or potentially due to the Company's managing and supervising persons.

5.16. The Company's shares and the affiliated companies' shares held by persons managing and supervising Stalexport Autostrady

The number and nominal value of Stalexport Autostrady's shares held by the persons managing and supervising the Company is provided based on declarations of these persons. The balance as at 31 December 2015 and as at the date of this Report is presented in the table below.

TABLE 6

The number and nominal value of Stalexport Autostrady's shares held by persons managing and supervising the Company (as at 31 December 2015 and as at the date of this Report)

No.	Name and surname	Number of shares [units]	Nominal value [in PLN]
1.	Emil Wąsacz	59,000	44,250

Source: Internal analysis based on declarations made by the persons managing and supervising the Company

Persons managing and supervising Stalexport Autostrady do not hold any shares in affiliated companies.

5.17. Information on the agreements known to the Company (also including those entered into after the balance sheet date), which in the future may result in changes in proportions of the shares held by the existing shareholders and bondholders

The Company is not aware of other agreements which may result in changes in proportions of the shares held by the existing shareholders.

5.18. Information on the control system regarding employee share schemes

There are no employee share schemes in Stalexport Autostrady.

5.19. Date of entering into contract with an entity authorised to audit financial statements and consolidated financial statements for the period of the contract, as well as the total amount of remuneration for the separate and consolidated audit in a given financial year

In accordance with the powers stipulated in the Statutes of the Company, the Supervisory Board entrusted the audit of the financial statements and consolidated financial statements of Stalexport Autostrady S.A. Group for 2015 to Deloitte. Deloitte is entered into the list of entities authorised to audit financial statements under No. 73.

On 29 May 2014, the Company entered into an agreement with Deloitte for the audit and review of the financial statements in the period 2014–2016.

The total Deloitte's remuneration for the audit and review of the financial statements for 2015 shall amount to net PLN 73.5 thousand, including the operations related to the following:

- review of the interim separate and consolidated financial statements of Stalexport Autostrady for the period of 6 months ended on 30 June 2015 – PLN 22.05 thousand;
- audit of the annual separate and consolidated financial statements of the Company for 2015 – PLN 51.45 thousand.

The limit for additional costs subject to reimbursement was agreed to be 5%.

The total Deloitte's remuneration for the audit and review of the financial statements for 2014 amounted to net PLN 73.5 thousand including the works related to the following:

- review of the interim separate and consolidated financial statements of Stalexport Autostrady for the period of 6 months ended on 30 June 2014 – PLN 22.05 thousand;
- audit of the annual separate and consolidated financial statements of the Company for 2014 – PLN 51.45 thousand.

The limit for additional costs subject to reimbursement was agreed to be 5% and the actual additional costs amounted to PLN 3.7 thousand.

5.20. Information on proceedings before the court, authority competent for the arbitration proceedings or public administration authority

The Company is not a party to any proceedings before the common or arbitration court of law or public administration authority in matters in the case of which the value of the subject of the dispute exceeds the amount constituting at least 10% of the Company's equity. It concerns both individual litigations and all litigations conducted by the Company or against the Company.

6. Perspectives for development and major risks and threats; description of the external and internal factors significant for Stalexport Autostrady's development

6.1. Growth prospects

In recent years, the Company has participated in tenders related to the construction, management and operation of toll motorways. The Road Construction Programme is a potential market for the Company and the Group companies. However, it should be emphasised that the road infrastructure area is a sector heavily dependent on the State regulator. Thus, the number of tenders related to the projects interesting for the Company and possibility of their implementation under the PPP formula is the consequence of the public party's policy on road construction and the national budget. Prospects for external growth of Stalexport Autostrady are related to possible implementation of potential motorway projects described in Section 4 of this Report.

As far as internal growth is concerned, the Group makes and shall continue to make efforts to improve the quality of services provided to the motorway users by the currently executed project of replacement of toll collection equipment, which shall make it possible for the customers to pay for using the motorway by diversified means of payment. These efforts are intended to improve the flow capacity of the Toll Collection Plazas and to shorten the transaction time. Additionally, talks are held with the public party to make it possible for the users to pay by means of viaTOLL nationwide electronic system. Thanks to the planned solutions, vehicles equipped with on-board viaTOLL devices would be able to drive along the motorway managed by the Company.

6.2. Description of major risks and threats, the external and internal factors significant for Stalexport Autostrady's development and risk prevention methods

Major risks and threats and the external and internal factors significant for the operation of Stalexport Autostrady may be divided into two basic groups related to the following:

- **A4 Katowice-Kraków project under execution**

Within this scope, the risks as well as the economic and financial factors related to the general economic situation and current situation on the construction work market, as well as the risks of political and legal nature prevail.

The **economic situation** in Poland has an impact mainly on the number of vehicles using the A4 motorway (this factor affects mainly the truck traffic) and thus on the level of revenue from toll collection generated by the Concessionaire. The Group mitigates this risk by means of adequate (optimal) price policy and by taking actions aiming at the improvement of the customer service quality on the motorway section managed by the Group by the replacement of toll collection equipment (currently executed), which shall make it possible for the customers to pay for using the motorway by diversified means of payment.

As far as the **construction work market** is concerned, the economic boom period increases the prices of construction services and decreases the profitability of the A4 Katowice-Kraków project, whereas in the period of economic slowdown, the Group may negotiate more favourable conditions for the execution of necessary works, thus more funds remain at the disposal of shareholders. The Company makes efforts to mitigate the risk within this area by active management, as authorised under the Concession Agreement, of the schedule of planned and carried out construction works.

Institutional and legal instability of the environment regulating the infrastructure sector in Poland is the main factor from the **political and legal risk** group. By means of promotion of good practices and solutions aiming at creation of suitable legal framework for the execution of infrastructure projects and by active participation in a public debate regarding new legislative solutions, etc., the Company makes efforts to prevent these risks. This risk group includes also the potential efforts to change the existing law, which may affect the revenue or expense level of the A4 Katowice-Kraków project. It is worth emphasising that the Concession Agreement includes provisions which make it possible to claim compensations from the State Treasury if the public party takes actions that adversely affect the profitability of the A4 Katowice-Kraków project.

Additional risks are also related to the **decision of Urząd Ochrony Konkurencji i Konsumentów** [Office of Competition and Consumer Protection] (hereinafter referred to as "UOKiK") in which UOKiK stated that the practices of the Concessionaire infringed the competition by "charging unfair prices for using the toll section of the motorway in the amount specified in the price list, in spite of the repair works being carried out within this section, resulting in major traffic problems" and ordered to stop these practices. When performing the repair works causing substantial hindrances to the traffic in the future, the Concessionaire should respect the stipulations of decision in its tariff policy.

▪ **Lease of the office space and investment of the owned funds.**

Within this scope, the risks related to the economic situation and investment climate, as well as the risk of the market interest rate shall be mentioned.

The **economic situation** in Poland directly affects the office space lease market and thus the size of the unoccupied (unleased) space and the rent rates. The Company mitigates this risk by the application of a flexible price policy and by making other efforts to increase the attractiveness of the office space and to improve the user safety. Furthermore, the Company makes constant efforts to win new lessees.

Owing to the revenue structure and the nature of the business, the financial results of the Company are subject to a relatively high **interest rate risk**. This risk is related to the changeability of the financial markets and manifests itself in changes in the money value. Stalexport Autostrady mitigates this risk by the diversification of the periods for which the funds for future motorway projects are invested.

Not only does the above-mentioned institutional and legal instability of the environment affect the implementation of the A4 Katowice-Kraków project, but also the entire activity of the Company and its Group, with particular emphasis on the functioning of Stalexport Autostrady as a public company.

The Company tries to counteract these risks by constant monitoring of all changes to legal regulations (both national and EU), by using consultancy services provided by companies specialising in a given field, by participation of the Management Board and the employees responsible for a given business area in training courses and conferences on new regulations, and by implementing appropriate procedures and good practices, both in the Company and in the entire Group.

7. Statement of the Management Board of Stalexport Autostrady on the Company's corporate governance rules

7.1. Introduction

Performing the duty stipulated in § 29(5) of the GPW Regulations and the resolution No. 1013/2007 of the GPW's Management Board of 11 December 2007 (regarding the scope and the structure of the report on the application of the corporate governance rules by listed companies) and the resolution No. 718/2009 of GPW's Management Board of 16 December 2009 (regarding the submission of the corporate governance reports by listed companies), the Management Board of Stalexport Autostrady publishes this statement on the Company's application of the corporate governance rules specified in "Best Practice for GPW Listed Companies (DPSN) in the period from 1 January to 31 December 2015. The below statement applies to DPSN in force in 2015.

On 13 October 2015, the Council of the Warsaw Stock Exchange passed a resolution on the adoption of new corporate governance rules entitled "Best Practice for GPW Listed Companies 2016" (hereinafter referred to as DPSN 2016). The new rules came into force on 1 January 2016.

On 8 January 2016, Stalexport Autostrady submitted a current report concerning the scope of application of DPSN 2016. On the same day, according to the rule IZ1.13 DPSN 2016, "Statement on the Company's compliance with the corporate governance recommendations and principles contained in "Best Practice for GPW Listed Companies 2016" was published on the Company's website and forms **Enclosure No. 5** to this Report.

7.2. Corporate governance rules the Company is subject to and its public availability

The Management Board of Stalexport Autostrady declares that the corporate governance rules the Company was subject to in 2015 are publicly available on the following websites:

- the website of Stalexport Autostrady (www.stalexport-autostrady.pl);
- the website of Warsaw Stock Exchange (www.corp-gov.gpw.pl);
- the website of Stowarzyszenie Emitentów Giełdowych [Polish Association of Stock Exchange Issuers](www.seg.org.pl).

7.3. Information on the scope in which the Company renounced the provisions of the above-mentioned corporate governance rules, identification of these provisions and explanation of the reasons for this renouncement

Pursuant to the resolution No. 1014/2007 of the GPW's Management Board of 11 December 2007 regarding partial exemption from the obligation to publish the report on the corporate governance rules applicable to the main market of GPW, the Management Board of Stalexport Autostrady, adhering to the rules specified in "Best Practice for GPW Listed Companies" (DPSN), declares that in 2015 the Company did not broadcast the GMs over the Internet, but it recorded the GMs and published the recordings on its website.

7.4. Description of the basic attributes of the Company's systems of internal control and risk management as regards drawing up of the unconsolidated and consolidated financial statements

The Management Board of Stalexport Autostrady is responsible for the system of internal control and its effectiveness. The system of internal control and risk management as regards drawing up of the financial statements involves the procedures for drawing up and approving the financial statements in force in Stalexport Autostrady. The system makes it possible to monitor the liabilities and to control the costs and the achieved results on the date-to-date basis. The financial data which is the basis for the financial statements and periodic reports come from the accounting and financial system IMPULS into which the documents are entered in line with the Company's accounting policy based on the International Accounting Standards.

The financial statements are drawn up by the financial and accounting staff under the control of the Company's Chief Accountant and then verified by the Vice-president of the Management Board - CFO in cooperation with the Finance Management Director and their final wording is approved by the Management Board in form of a relevant resolution.

The financial statements approved by the Management Board are verified by an independent auditor (chartered accountant) appointed by the Supervisory Board of the Company. Then, pursuant to § 18(2)(1) of the Company's Statutes, the Supervisory Board – following the recommendation of the Audit Committee, each year verifies whether the audited financial statements of the Company and the Group are consistent with the books and documents and whether they reflect the real situation, and notifies the shareholders of the results of this verification in its annual report.

The Company systematically monitors changes required under external laws and regulations concerning the stock exchange reporting requirements and it takes steps to implement them in advance.

7.5. Shareholders holding directly or indirectly significant blocks of shares and the number of shares held by these shareholders, their percentage share in the share capital, the number of votes related to these shares and their percentage share in the total number of votes at the General Meeting of the Company

The shareholders holding – according to the best knowledge of the Company – at least 5% of the total number of votes at the Stalexport Autostrady's GM as at 31 December 2015 and as at the date of this Report are listed in the table below.

TABLE 7

List of Stalexport Autostrady's shareholders holding significant blocks of the Company's shares (as at 31 December 2015 and as at the date of this Report)

Company name	Number of ordinary bearer shares [units]	Share in share capital [%]	Number of votes at GM [units]	Share in the total number of votes at GM [%]
ASPI	149,923,463	60.63%	149,923,463	60.63%

Source: Internal analysis based on notifications received by the Company from shareholders pursuant to article 69 and 69a in relation to article 87 of the Act on Public Offering, on the Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies

7.6. Holders of any shares giving the special control rights and description of these rights

No shares of Stalexport Autostrady provide shareholders with the special control rights towards the Company.

7.7. Information on all limitations regarding exercising the voting right, such as limitation of exercising the voting right by the holders of a specified part or number of votes, time limitations regarding exercising the voting rights or provisions under which, with the cooperation of the Company, the capital rights related to the securities are separated from the ownership of the securities

The shares of Stalexport Autostrady are not subject to any limitations as far as exercising the right to vote related to the shares is concerned.

7.8. Information on all limitations regarding transferring the ownership rights to the Company's securities

The shares of Stalexport Autostrady are not subject to any limitations as far as the transferring of the ownership rights is concerned.

7.9. Description of the rules of appointing and recalling of the managing persons and their rights, in particular the right to decide on the issuance or buy out of shares

Pursuant to § 10 of the Statutes of Stalexport Autostrady, the Management Board of the Company is composed of 1 to 3 persons. The President of the Management Board is appointed by the Supervisory Board and other members of the Management Board are appointed by the Supervisory Board at the motion of the President of the Management Board.

The rights of the Management Board are specified in the Statutes of the Company, Regulations of the Management Board issued on the basis of these Statutes, the Code of Commercial Companies and other generally applicable laws. The Statutes of the Company and the Regulations of the Management Board form enclosures to this annual report (**Enclosures No. 1 and No. 2**) and are also available on the corporate website of Stalexport Autostrady (www.stalexport-autostrady.pl).

7.10. Description of the rules of amending the Statutes or the Articles of Association of the Company

The Statutes of the Company shall be amended as specified in the Code of Commercial Companies. The Statutes do not stipulate otherwise in this respect, except for § 5(2) which concerns material change of the objects of the Company. In such a case, the Statutes do not stipulate the necessity to buy out the shareholders that do not agree on the amendment.

7.11. The General Meeting's rules of procedure and its basic powers and the description of the rights of shareholders and the way of exercising these rights, in particular the rules stipulated in the Regulations of the General Meeting if such Regulations were approved, provided that the information in this respect does not result directly from the law

The General Meetings of Stalexport Autostrady are held in line with the rules stipulated in the Code of Commercial Companies, the Statutes and the Regulations of the General Meeting, and these rules do not differ from the rules which are applied by other companies listed on GPW. In particular, apart from the shareholders, the members of the Management Board and the Supervisory Board of the Company as well as the guests, including experts invited by the body convening the General Meeting, may attend the General Meeting.

STALEXPORT AUTOSTRADY S.A.
MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF THE COMPANY IN 2015

A representative of the auditor of the Company attends the General Meetings whose agenda comprises financial matters of the Company and gives explanations during such Meetings.

GMs are convened in the manner and according to the rules stipulated in the commonly binding regulations. It means that the announcement on convening a General Meeting is made in the current report and published at the website of Stalexport Autostrady (www.stalexport-autostrady.pl) not later than 26 days before the date of the General Meeting.

The shareholders that hold the shares of Stalexport Autostrady on the 16th day before the date of the General Meeting, which is the record date, are entitled to take part in the General Meeting. The basis for permitting a shareholder to attend the General Meeting is putting a given shareholder on the list made available to the Company by Krajowy Depozyt Papierów Wartościowych S.A. (KDPW) not later than one week before the date of the General Meeting.

The General Meetings are held in the Company's registered office or in Katowice and the detailed rules of its debate are specified in the Regulations of the General Meeting of Stalexport Autostrady adopted on 27 November 2002. The currently binding text of the Regulations of the General Meeting takes into account the amendments introduced in 2004, 2005, 2006, and 2010, and forms **Enclosure No. 3** to this Report. It is also available on the corporate website of Stalexport Autostrady. The amendments introduced in 2010 take into account the new rules for the organisation of the General Meetings of public (listed) joint stock companies, which were introduced on 3 August 2009 by amending the Code of Commercial Companies of 5 December 2008 (Dz.U. of 2009, No. 2, item 28).

The above-mentioned Regulations specify in particular the scope of rights of shareholders (in relation to the most important right that is exercised by them, i.e. participation in the General Meeting) and the way these rights are exercised, the rules of appointing the Chairman of the General Meeting, the tasks of the Chairman of the General Meeting and his duties, the rules of appointing members of the Returning Committee and its duties. In practice, the Returning Committee is not appointed according to the decision of the General Meeting, because the voting is carried out via a computer system of casting and counting the votes, and the printed results of voting are signed by the Chairman of the General Meeting pursuant to § 10a of the Regulations of the General Meetings.

Pursuant to § 24 of the Company's Statutes, the resolutions of the General Meeting are required in particular in the case of:

- 1) approval, upon review, of the Management Board's Report on the Company's Activities and the financial statements for the previous financial year;
- 2) distribution of profit/covering losses;
- 3) acknowledgement of the fulfilment of duties by members of the Management Board and members of the Supervisory Board;
- 4) disposal and lease of the enterprise or its organised part and creating of a limited right in rem over them;
- 5) the issue of convertible bonds or senior bonds;
- 6) review and approval of the financial statements of Stalexport Autostrady Group;
- 7) amendment to the Company's Statutes, including the objects of the Company, share capital increase or decrease and redemption of shares;
- 8) material change of the objects of the Company;
- 9) dissolution and liquidation of the Company;
- 10) Company's merger, demerger and transformation;
- 11) appointing members of the Supervisory Board after their number has been determined for a given term of office and recalling these members of the Supervisory Board;
- 12) determining the remuneration rules for the appointed members of the Supervisory Board.

7.12. The composition and its changes which took place in the last financial year and the description of the activity of the bodies managing, supervising or administering the Company and their committees

(i) Management Board

Pursuant to § 10 of the Company's Statutes, the Management Board is composed of 1 to 3 persons. The President of the Management Board is appointed by the Supervisory Board and other members of the Management Board are appointed by the Supervisory Board at the motion of the President of the Management Board. Joint term of office of the Management Board's members lasts three successive years and their mandates expire on the day of holding the General Meeting approving the financial statements for the last full financial year of performing the function of the Management Board's member. On 5 March 2013, the Supervisory Board of Stalexport Autostrady S.A. appointed the Management Board with the following line-up for another term:

- Emil Wąsacz – President of the Management Board,
- Mariusz Serwa – Vice-president of the Management Board.

Within the reporting period (and until the date of Report preparation), the line-up of the Management Board did not change and is as follows:

- Emil Wąsacz – President of the Management Board,
- Mariusz Serwa – Vice-president of the Management Board.



Emil Wąsacz
President of the Management Board



Mariusz Serwa
Vice-president of the Management Board

(ii) Supervisory Board

Pursuant to § 14 of the Company's Statutes, the Supervisory Board is composed of 5 to 9 persons appointed for the joint term of office of three years. The General Meeting appoints and recalls members of Supervisory Board having first determined their number for a given term of office.

On 3 April 2013, the Ordinary General Meeting (by passing the Resolution No. 21) decided that the Supervisory Board of the eighth term (2013–2015) shall be composed of seven members.

STALEXPORT AUTOSTRADY S.A.
MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF THE COMPANY IN 2015

In the period from 1 January 2015 to 31 December 2015 (and as at the date of the Report), the Supervisory Board was composed of the following seven members:

1. Roberto Mengucci – Chairman,
2. Aleksander Galos – Deputy Chairman,
3. Michelangelo Damasco – Secretary,
4. Nicolás Caffo,
5. Pietro La Barbera,
6. Costantino Ivoi,
7. Tadeusz Włudyka.

Two members of the Supervisory Board, i.e. Mr Aleksander Galos and Mr Tadeusz Włudyka, meet the criteria of independent members.

On 5 July 2013, acting pursuant to § 25(2) of the Regulations of the Supervisory Board of Stalexport Autostrady and pursuant to Best Practice for GPW Listed Companies 2016 in force at that time, including especially good practices for members of Supervisory Boards, the Supervisory Board appointed the Audit Committee and Remuneration Committee out of the Supervisory Board members as follows:

1) Remuneration Committee:

- Roberto Mengucci – Chairman,
- Aleksander Galos,
- Costantino Ivoi,
- Tadeusz Włudyka.

2) Audit Committee:

- Costantino Ivoi – Chairman,
- Aleksander Galos,
- Michelangelo Damasco.

In the reporting period and as at the date of the Report, the composition of the above-mentioned committees of the Supervisory Board remained unchanged.

The Supervisory Board acts pursuant to the law, including KSH and the Statutes adopted by GM. Moreover, pursuant to the Company's Statutes, the Supervisory Board adopted its Regulations defining the course of proceedings. These Regulations form **Enclosure No. 4** to this Report and are also available on the corporate website of Stalexport Autostrady (www.stalexport-autostrady.pl).

The Supervisory Board's committees act pursuant to the Regulations adopted by the Supervisory Board. These Regulations form Enclosures to the Regulations of the Supervisory Board. They are also available on the corporate website of the Company (www.stalexport-autostrady.pl).

(iii) Proxies

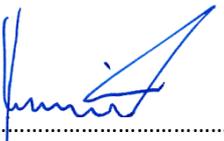
Pursuant to Article 371 § 4 of the Code of Commercial Companies, proxies are appointed by the Management Board. In the reporting period, there were no proxies in the Company.

8. Summary

Summarising the presentation of the Report, we would like to emphasise that Stalexport Autostrady, operating in the motorway business, has sound financial basis that guarantees the stability of its business and provides opportunities for future implementation of usually very capital-consuming projects related to the construction and management of motorways.

Vice-president of the Management Board

CFO



.....

Mariusz Serwa

President of the Management Board

CEO



.....

Emil Wąsacz

Mysłowice, 2 March 2016

9. Statements

- 9.1. Statement of the Management Board setting forth that according to their best knowledge, the annual financial statements as well as the comparable data have been drawn up in line with the applicable accounting standards and they give a true and fair view of the Company's state of affairs and its financial position, and that the Management Board's Report on the Activities of the Company gives a true presentation of the Company's development, achievements and position, including the description of major risks

Statement

We hereby state that according to our best knowledge, the annual financial statements of the Company for 2015 and comparable data have been drawn up in line with the applicable accounting standards and they give a true and fair view of the Stalexport Autostrady's state of affairs and its financial result.

At the same time we also declare that the annual Management Board's Report on the Activities of Stalexport Autostrady S.A. in 2015 gives a true presentation of the Company's development, achievements and position, including the description of major risks and threats.

Vice-president of the Management Board

CFO



Mariusz Serwa

President of the Management Board

CEO



Emil Wąsacz

Mysłowice, 2 March 2016

- 9.2. Statement of the Management Board stating that the entity authorised to audit the financial statements, auditing the annual financial statements, has been appointed in accordance with the provisions of the law and that this entity as well as chartered auditors conducting the audit have met the conditions regarding issuing impartial and independent opinion on the audited annual financial statements, in line with applicable provisions of the law and professional standards

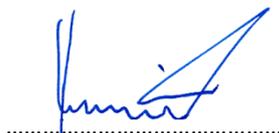
Statement

We hereby state that Deloitte with its registered office in Warsaw, authorised to audit the financial statements, auditing the annual financial statements for 2015, has been appointed in accordance with the provisions of the law, i.e. pursuant to § 18(3)(8) of the Statutes of Stalexport Autostrady.

At the same time, we also declare that the above-mentioned entity and the chartered auditors conducting the audit have met the conditions regarding issuing impartial and independent opinion on the audited annual financial statements, in line with applicable provisions of the law and professional standards.

V-ce president of the Management Board

CFO



Mariusz Serwa

President of the Management Board

CEO



Emil Wąsacz

Mysłowice, 2 March 2016

10. Enclosures

Enclosure no. 1 Stalexport Autostrady's Statutes

Enclosure no. 2 Regulations of the Management Board of Stalexport Autostrady

Enclosure no. 3 Regulations of the General Meeting of Stalexport Autostrady

Enclosure no. 4 Regulations of the Supervisory Board of Stalexport Autostrady

Enclosure no. 5 A statement on the company's compliance with the corporate governance recommendations and principles contained in Best Practice for GPW Listed Companies 2016

Enclosure no. 6 Financial highlights of Stalexport Autostrady

The Statutes and the above-mentioned Regulations are also available on the corporate website of Stalexport Autostrady (www.stalexport-autostrady.pl).

Stalexport Autostrady
Joint Stock Company

STATUTES¹

¹ The consolidated text comprising the amendments adopted by OGM of Stalexport Autostrady on 03 April 2014 and registered by Decision of District Court Katowice Wschód in Katowice on 30 May 2014.

This document is a free translation of the Polish original. The binding Polish original should be referred to in matters of interpretation.

STALEXPORT AUTOSTRADY S.A.
MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF THE COMPANY IN 2015
ENCLOSURE NO 1

I. GENERAL PROVISIONS

§1

1. The Company's firm is Stalexport Autostrady Joint Stock Company.
2. The Company may use the abbreviation of the firm: Stalexport Autostrady S.A. and the graphic or verbal graphic symbol that distinguishes it (logotype).

§2

The city of Myslowice is the seat of the Company.

§3

(deleted)

§4

The Company conducts its activity on the basis of this Statutes, the Code of commercial companies and other regulations in force.

II. THE SUBJECT OF THE COMPANY ACTIVITY

§5

1. The subject of the Company activity:

25.11.Z	Manufacture of metal structures and parts of structures
26.30.Z	Manufacture of Communications equipment
32.99.Z	Other manufacturing n.e.c.
33.11.Z	Repair of fabricated metal products
33.20.Z	Installation of industrial machinery and equipment
38.31.Z	Dismantling of wrecks
41.10.Z	Development of building projects
41.20.Z	Construction of residential and non-residential buildings
42.11.Z	Construction of roads and motorways
42.12.Z	Construction of railways and underground railways
42.13.Z	Construction of bridges and tunnels
42.21.Z	Construction of transmission pipelines and distribution systems
42.22.Z	Construction of utility projects for electricity and telecommunications
42.91.Z	Construction of water projects
42.99.Z	Construction of other civil engineering projects n.e.c.
43.21.Z	Electrical installation
43.29.Z	Other construction installation
43.32.Z	Joinery installation
43.91.Z	Roofing activities
43.99.Z	Other specialised construction activities n.e.c.
45.11.Z	Sale of cars and light motor vehicles
45.19.Z	Sale of other motor vehicles except motorcycles
46.13.Z	Agents involved in the sale of timber and building materials

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46.44.Z	Wholesale of china and glassware and cleaning materials
46.51.Z	Wholesale of computers, computer peripheral equipment and software
46.69.Z	Wholesale of other machinery and equipment
46.72.Z	Wholesale of metals and metal ores
46.73.Z	Wholesale of wood, construction materials and sanitary equipment
46.74.Z	Wholesale of hardware, plumbing and heating equipment and supplies
46.75.Z	Wholesale of chemical products
46.76.Z	Wholesale of other intermediate products
46.77.Z	Wholesale of waste and scrap
46.90.Z	Non-specialised wholesale trade
47.41.Z	Sale of computer, peripheral units and software in specialized stores
47.42.Z	Retail sale of telecommunications equipment in special stores
49.41.Z	Freight transport by road
52.10.A	Warehousing and storage of gaseous fuels
52.10.B	Warehousing and storage of other goods
52.21.Z	Service activities incidental to land transportation
52.24.C	Cargo handling at other transshipment points
52.29.C	Other transportation support activities
59.20.Z	Sound recording and music publishing activities
61.30.Z	Telecommunications activities
61.90.Z	Other telecommunications activities
62.01.Z	Computer programming activities
62.02.Z	Computer consultancy activities
62.03.Z	Computer facilities management activities
62.09.Z	Other information technology and computer service activities
63.11.Z	Data processing, hosting and related activities
63.12.Z	Web portals
63.99.Z	Other information service activities n.e.c.
64.20.Z	Activities of holding companies
64.30.Z	Trusts, funds and similar financial entities
64.91.Z	Financial leasing
64.92.Z	Other credit granting
64.99.Z	Other financial service activities, except insurance and pension funding n.e.c.
66.19.Z	Other activities auxiliary to financial services, except insurance and pension funding
68.10.Z	Buying and selling of own real estate
68.20.Z	Renting and operating of own or leased real estate
68.32.Z	Management of real estate on a fee or contract basis
69.20.Z	Accounting, bookkeeping and auditing activities; tax consultancy
70.10.Z	Activities of head offices and holding companies except financial holdings
70.21.Z	Public relations and communication activities
70.22.Z	Business and other management consultancy activities
71.11.Z	Architectural activities
71.12.Z	Engineering activities and related technical consultancy
71.20.B	Other technical testing and analysis
73.11.Z	Advertising agencies
73.12.A	Brokerage in the sale of time and space for advertising purposes on the radio and on the television
73.12.B	Brokerage in the sale of space for advertising purposes in printed media
73.12.C	Brokerage in the sale of time and space for advertising purposes in electronic media (the Internet)

STALEXPORT AUTOSTRADY S.A.
MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF THE COMPANY IN 2015
ENCLOSURE NO 1

73.12.D	Brokerage in the sale of time and space for advertising purposes in other media
74.10.Z	Specialised design activities
74.90.Z	Other professional, scientific and technical activities n.e.c.
77.12.Z	Renting and leasing of other motor vehicles except motorcycles
77.32.Z	Renting and leasing of construction and civil engineering machinery and equipment
77.39.Z	Renting and leasing of other machinery, equipment and tangible goods n.e.c.
77.40.Z	Leasing of intellectual property and similar products, except copyrighted works
78.10.Z	Activities of employment placement agencies
78.20.Z	Temporary employment agency activities
78.30.Z	Other human resources provision
81.10.Z	Combined facilities support activities
82.11.Z	Combined office administrative service activities
82.19.Z	Photocopying, document preparation and other specialised office support activities
82.91.Z	Activities of collection agencies and credit bureaus
82.99.Z	Other business support service activities n.e.c.
85.60.Z	Educational support activities
95.11.Z	Repair of computer and peripheral equipment
95.12.Z	Repair of Communications equipment

2. The General Meeting of Shareholders may pass a resolution on a significant change of the subject of the Company's activity also without buying out the shares of these shareholders who do not accept the change provided that such resolution is passed with the majority of two thirds of votes in the presence of the people who represent at least one half of the stock capital.

III. STOCK CAPITAL

§6

The stock capital of the Company amounts to PLN 185,446,517.25 (one hundred eighty five million four hundred and forty six thousand five hundred seventeen zloty and twenty five).

§7

The stock capital of the Company is divided into 247,262,023 (two hundred forty seven million two hundred sixty two thousand twenty three) of ordinary bearer shares of a nominal value of PLN 0,75 (seventy five) each, including 8,341,030 (eight million three hundred forty one thousand thirty) shares of the A series with numbers from A 000,000,001 to A 008,341,030; 492,796 (four hundred ninety two thousand seven hundred ninety six) shares of the B series with numbers: from B 008,341,031 to B 008,833,826; 4,000,000 (four million) shares of the D series with numbers: from D 008,833,827 to D 012,833,826; 94,928,197 (ninety four million nine hundred twenty eight thousand one hundred ninety seven) shares of the E series with numbers: from E 12,833,827 to E 107,762,023; 50,000,000 (fifty million) shares of the F series with numbers: from F 107,762,024 to F 157,762,023; and 89,500,000 (eighty nine million five hundred thousand) share of the G series with numbers from G 157,762,024 to G 247,262,023.

All shares of the Company are bearer shares.

§8

1. The Shares may be written off with the consent of a shareholder by means of the acquisition by a Company determined in the Resolution of General Meeting.

STALEXPORT AUTOSTRADY S.A.
MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF THE COMPANY IN 2015
ENCLOSURE NO 1

- 2. *(deleted)*
- 2.a *(deleted)*

IV. THE COMPANY'S AUTHORITIES

§9

The authorities of the Company are:

- 1. The Management Board of the Company.
- 2. The Supervisory Board.
- 3. The General Meeting.

A. THE MANAGEMENT BOARD OF THE COMPANY

§10

- 1. The Management Board consists of 1 to 3 persons.
- 2. The Supervisory Board appoints the President of the Management Board and the Supervisory Board appoints the other members of the Management Board upon the motion of the President of the Management Board.
- 3. The joint term of office of the members of the Management Board lasts three consecutive years and their mandates expire on the day of the General Meeting approving the financial report for the last full turnover year of performing the function of the member of the Management Board.
- 4. *(deleted)*
- 5. The member of the Management Board can be recalled or suspended in his functions at any time by the Supervisory Board and also by the General Meeting.
- 6. A person who is a Polish citizen with a place of residence on the territory of the Republic of Poland can be appointed President of the Management Board.

§11

- 1. The Management Board conducts the matters of the Company and the right of the member of the Management Board to represent the Company concerns all judicial and extrajudicial actions of the company.
- 2. The Management Board makes its decisions in the form of resolutions or without resolutions being passed. The resolution form is required for decisions concerning:
 - 1) purchasing and selling real properties, and a part of them as well, and the perpetual usufruct or a part of it, with the reservation, that if the the value of the transaction exceeds five million PLN the approval of the Supervisory Board is required,
 - 2) incurring liabilities, including credits, sureties, etc. the value of which exceeds one million PLN,
 - 3) *(deleted)*,
 - 4) convening general meetings and accepting draft resolutions for these meetings,
 - 5) proposing the Supervisory Board the selection of a chartered auditor,
 - 6) purchasing and selling the company shares or shares of other companies,
 - 7) creating a company branch or representation abroad,
 - 8) lay-offs,
 - 9) adopting an investment plan, selling and leasing the enterprise with a group of tangible and intangible assets, as well as transferring the usufruct rights.
- 3. The resolutions of the Management Board are passed with an absolute majority of votes and in case of an equal amount of votes, the vote of the President of the Management Board is the casting one.
- 4. The Management Board may also adopt resolutions in all matters it deems material and essential, as long as they fall within the objects of the Company as well as its functioning.
- 5. The resolutions of the Management Board are recorded and the minutes should include the agenda, the list of the present members of the Management Board, the list of votes cast in regard to the individual resolutions, distinct sentences and signatures of the present members of the Management Board.

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6. The Management Board may pass its own regulations. The Management Board regulations are approved by the Supervisory Board.

§12

When the Management Board is numerous, the following persons are entitled to submit declarations on behalf of the Company:

- independently – the President of the Management Board,
- jointly – two members of the Management Board,
- or – the member of the Management Board with the proxy.

§13

The remuneration and other terms of employing the members of the Management Board are determined by the Supervisory Board which concludes suitable contracts with them and also represents the Company in possible disputes with the members of the Management Board.

B. THE SUPERVISORY BOARD

§14

1. The Supervisory Board consists of 5 to 9 members including the Chairman and its deputy. The General Meeting decides about the number of members of the Supervisory Board for a given term.
2. The term of the Supervisory Board lasts three years. The mandates of the Supervisory Board's members expire on the day of the General Meeting approving the financial statements for the last full year of performing duties as a member of the Supervisory Board.
3. The Supervisory Board's members are appointed for a joint term. The mandate of a member of the Supervisory Board, appointed before the end of the term, expires simultaneously with the mandates of the other members of the Supervisory Board.
4. The General Meeting appoints and recalls the members of the Supervisory Board. The member of the Supervisory Board shall elect, from among its members, the Chairman of the Supervisory Board and at his request - the Deputy Chairman.
5. In the event of death or resignation of a member of the Supervisory Board is entitled to continue its work within a given term, unless the number of remaining members meet the rules provided by law. Passage 6 of §14 shall apply accordingly.
6. The Supervisory Board should comprise also the independent members, i.e. independent of any relations, which could have significant impact on the ability of an independent member to make impartial decisions.
7. Independency discussed in passage 6 should be understood as:
 - a) the lack of relations with the Company, i.e. the member of the Supervisory Board is not related with the Company or its subsidiary or associated companies by employment contract or any other civil law agreements resulting in its dependency,
 - b) lack of relations with shareholders possessing over 5% shares in equity capital, i.e. the member of the Supervisory Board:
 - is not related with the shareholder by the employment contract or by any civil law agreements resulting in its dependency;
 - does not serve on managing and supervising authorities of the entities which are the shareholders of the Company;
 - lack of relations with the members of the Company's Management Board. i.e. a member of the Supervisory Board is not the member of the closest family of any of the members of the Company's Management Board.

§15

1. The Supervisory Board on its first meeting elects in a secret voting the Chairman of the Supervisory Board, his deputy and its secretary and on the next meeting, in case there is such a need conducts supplementary elections.

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2. The Chairman of the Supervisory Board or his deputy or a person indicated by the Chairman convenes the meetings of the Supervisory Board and presides at them. The Chairman of the Supervisory Board of the former term of office or a member of the Supervisory Board indicated by the Chairman convenes and opens the first meeting of the newly elected Supervisory Board and presides at it until choosing the Chairman of the Supervisory Board. Should the first meeting of the Supervisory Board not be convened as described above within 14 days from the day of the selection, any of the selected members of the Supervisory Board is entitled to convene it.
3. The Supervisory Board may recall the Chairman, his deputy or the Secretary of the Supervisory Board from the performed function in a secret voting.

§16

1. The Supervisory Board should convene meetings if necessary, however not less than three times during the turnover year.
2. The Chairman of the Supervisory Board or his deputy has the duty to convene the meeting of the Supervisory Board upon the request of the Management Board or a member of the Supervisory Board containing the proposed agenda within two weeks from the day of receiving the motion.

§17

1. Taking into consideration the resolutions of section 2, the Supervisory Board passes resolutions with an absolute majority of votes, i.e. the number of votes exceeding half of the cast valid votes when at least half of the Supervisory Board's composition is represented.
2. The Supervisory Board passes its regulations which determine the mode of its proceedings in a detailed way.
3. The members of the Supervisory Board may take part in passing resolutions of the Supervisory Board, casting their vote in writing by hand of another member of the Supervisory Board with the exclusion of matters that are introduced to the agenda on the meeting of the Supervisory Board.
4. The members of the Supervisory Board may participate in passing resolutions casting their vote in a written course or by using means of direct remote communication under the condition of notifying all members of the Supervisory Board about the contents of the resolution draft.

§18

1. The Supervisory Board permanently supervises the activity of the Company in all domains of its activity.
2. The Supervisory Board has, in particular, the following entitlements:
 - 1) to estimate the reports of the Management Board on the Company's activity and the financial report for the previous turnover year in the range of their conformity with the books and documents, as well as, with the real status,
 - 2) to estimate the motions of the Management Board concerning the profit distribution or loss coverage,
 - 3) to submit to the General Meeting an annual report, in writing, on the results of the estimates mentioned in point 1 and 2.
3. The Supervisory Board is also entitled to:
 - 1) to approve the regulations of the Management Board of the Company
 - 2) to appoint and recall individual or all members of the Management Board (in a secret voting),
 - 3) to approve the regulations of the Management Board of the Company
 - 4) to conclude contracts with the members of the management, including the establishment of the remuneration and other terms of performing the function of the member of the Management Board,
 - 5) to determine the remuneration for the member of the Supervisory Board delegated to a permanent individual supervision in case of entrusting this entitlement by the General Meeting,
 - 6) to suspend in functions - out of important reasons - individual or all members of the Management Board (in a secret voting),
 - 7) to delegate the members of the Supervisory Board to temporarily perform the functions of the members of the Management Board who are not able to perform their functions,

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- 8) to grant consent for reducing employment if it has a nature of the so called group dismissal according to the interpretation of proper regulations,
- 9) to choose, upon the motion of the Management Board, an expert auditor in order to examine financial reports,
- 10) to give consent to acquire and sell real estates, perpetual usufruct or a share in the real estate of a value exceeding five million PLN,
- 11) to grant the Management Board the consent for acquiring and taking over shares or stocks in other companies the single value of which exceeds one million PLN or 25% in the capital of such company,
- 12) to grant consent for setting up branch offices or representative offices abroad,
- 13) to approve the investment plan for the Company and the Stalexport Autostrady Capital Group,
- 14) to give an opinion on the resolutions presented by the Management Board on General Meetings,
- 15) to give consent to grant guarantees or warranties and also to contract other off- balance sheet liabilities, the single value of which exceeds five million PLN,
- 16) to give consent – on the motion of the Management Board - to issue the bonds other than convertible ones and with the priority rights,
- 17) on the motion of the Management Board – to give a consent to transfer the rights and duties resulting from licences and concessions granted the Company by appropriate bodies of administration,
- 18) on the motion of the Management Board – to give an opinion regarding the sale and leasing of the enterprises as well as tangible and intangible assets and making the right of perpetual usufruct on them, on the motion of the Management Board – to give a consent to sell the shares in the subsidiary companies for which Stalexport Autostrady S.A. with the seat in Katowice, is the dominant company.

§19

1. The Supervisory Board carries out its duties collectively, it can, however, delegate its members to an independent performance of definite supervisory functions.
2. The members of the Supervisory Board perform their rights and duties personally.

C. THE GENERAL MEETING

§20

1. The Ordinary General Meeting takes place in a period of 6 months after the passage of each turnover year.
2. The Extraordinary General Meeting may take place in any term when the organs or persons entitled to convene the general meetings acknowledge it as advisable maintaining the binding procedures.
3. The Management Board convenes the General Meeting.
4. The General Meeting shall be convened by publishing the announcement, at least twenty-six days before the date of the meeting, on the company's website and in the manner provided for publishing the current information, in accordance with the provisions of the Act on Public Offering and the conditions for introducing financial instruments to organized trading system and public companies.
5. The Supervisory Board has the right to convene an Ordinary General Meeting, if the Management Board does not convene it in the term defined in section 1 and Extraordinary General Meeting if convening it considers as necessary.
6. The shareholder or shareholders representing at least 1/20 of the stock capital may request to convene an Extraordinary General Meeting.

§21

1. The General Meeting may pass resolutions only in matters covered by the agenda, unless the entire stock capital is represented and no one from the present members submits an objection in regard to passing the resolution.
2. Motions of an orderly nature and the motion on convening the Extraordinary General Meeting may be voted and resolutions in this range passed, despite the fact that they have not been placed on the agenda.
3. Taking off of the agenda or abandonment of examining the question put on the agenda, on motion of the shareholders, requires passing a resolution of the general meeting, after approval given beforehand by all present shareholders, who notified such motion, supported by 75% votes of the general meeting.

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§22

The General Meetings are held at the seat of the Company or in Katowice.

§23

1. The General Meeting of Shareholders is opened by the Chairman of the Supervisory Board or his deputy or another member of the Supervisory Board - and in case when the members of the Supervisory Board are absent – the President of the Management Board or a person indicated in writing by the Management Board and next the chairman is chosen from among the persons entitled to participate in the General Meeting.
2. The General Meeting may pass its own regulations, determining the course of conducting the meetings in a detailed way.

§24

1. The resolutions of the General Meeting of Shareholders require, in particular:
 - 1) the approval after considering the Management Board's report on the Company's activity and the financial report for the previous turnover year,
 - 2) the profit distribution or loss coverage,
 - 3) granting the members of the Management Board and the members of the Supervisory Board exoneration from duties performed by them,
 - 4) sale and lease of the enterprise or its organised part and setting up a limited property right upon them,
 - 5) the issue of convertible bonds or bonds with the priority right,
 - 6) consideration and approval of the financial statement of the Stalexport Autostrady Capital Group,
 - 7) the amendment of the Company's Statutes, including the subject of the Company's activity, increase or decrease of the stock capital and also the amortisation of shares,
 - 8) an essential change of the subject of the Company's activity,
 - 9) dissolution and liquidation of the Company,
 - 10) merging, dividing and transforming the Company,
 - 11) appointing members of the Supervisory Board after establishing earlier the number of its members for a given term of office and recalling them,
 - 12) determining the remuneration principles for the appointed members of the Supervisory Board.

§25

An essential change of the subject of the Company's enterprise may take place without the duty to redeem shares with the observance of the adequate provisions of law.

V. THE COMPANY'S ECONOMY

§26

The calendar year is the turnover year of the Company.

§27

1. The reserve capital is formed in order to cover losses up to the value no smaller than 1/3 of the stock capital;
2. The Company may form other reserve capitals for covering particular losses or expenditures.

§28

1. The shareholders have the right to a share in the profit indicated in the financial report unless the General Meeting passes a resolution in this subject;
2. The General Meeting determines the day of the dividend and the date of its payment.

VI. FINAL PROVISIONS

§29

1. The Company publishes its announcements in the Judicial and Economic Monitor.
2. Moreover, every announcement of the Company should be posted up at the seat of the Company in places that are accessible to all employees.

REGULATIONS OF THE MANAGEMENT BOARD¹

¹ This document is a free translation of the Polish original. The binding Polish original should be referred to in matters of interpretation.

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REGULATIONS^{2/3/4}
OF THE MANAGEMENT BOARD

§1

The Regulations determines the organisation and activities of the Management Board of Stalexport Autostrady S.A.

§2

The Management Board conducts the matters of the Company and represents it, and all the matters which are not restricted for the statutory or legal competence of the Supervisory Board or the General Meeting of Shareholders, are within its competence.

§3

1. In case the Management Board is numerous – the Chairman – individually, two members of the Management Board jointly or a member of the Management Board together with a proxy - are entitled to submit declarations on behalf of the Company.
2. The Management Board may grant proxies.

§4

The Management Board conducts the matters of the Company collectively, and the resolutions of the Management Board form the judicial basis for carrying out the provisions of that acts of the internal law for all organizational units and the employees of the Company.

§5

1. Meetings of the Management Board are held once a month, if there is such a need.
2. Meetings of the Management Board are convened by the Chairman or when he is absent, by the member of the Management Board, appointed by the Chairman – out of his own initiative or on a written motion of each of the members of the Management Board.
3. Meetings of the Management Board are also convened out of the initiative of the Supervisory Board or its Chairman.
4. A meeting convened on motion of the Supervisory Board or a member of the Management Board should be held without delay but not later than within 7 days from the date of submitting the motion.

§6

1. A notification about convening a meeting of the Management Board should be such forwarded so as each member of the Management Board was informed about it in an adequate time.
2. The agenda should be enclosed to the notification about the meeting of the Management Board.
3. Participation of members of the Management Board in the meetings is obligatory.

² These regulations were passed - on the basis of §11 reg.5 of Statutes of STALEXPORT S.A. - by the Management Board of the Company on 13.03.2003 (resolution no. 32/2003) and approved by the Supervisory Board on 26.03.2003 (Resolution no 2/2003).

³ §10 the Management Board of the Company on 15.04.2004 (resolution no. 26/2004). The change was approved by the Supervisory Board on 26.04.2004 (resolution no. 3/2004).

⁴ Section 2 §7 deleted by the Management Board on 02.02.2010 (resolution no 10/2010). The change was approved by the Supervisory Board on 02.03.2010 (resolution no 2/2010).

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§7

1. The Management Board passes the resolutions in all matters which, according to it are crucial and important in the activity which constitutes the subject of the Company's enterprise and for functioning of the Company.
2. (deleted).
3. In case of justified absence of a member of the Management Board at the meeting, he may, in matters covered by the agenda, submit his standpoint in writing to the Management Board.

§8

1. In justified cases, a resolution may be passed in a circular course, without holding the meeting of the Management Board.
2. In the remaining matters the current decisions are taken by individual members of the Management Board, according to the competence resulting from the Regulations of the Company's Organisation with maintaining the rule of the appropriate representation in case of need to submit declarations on the behalf of the Company.

§9

1. To make resolutions of the Management Board valid, it is necessary to notify about the meeting all members of the Management Board.
2. The President of the Management Board or a member of the Management Board appointed by him, presides over the meetings of the Management Board.
3. Resolutions are passed by the absolute majority of votes, if there is an equal number of votes, the vote of the President of the Management Board is decisive.

§10

1. The members of the Management Board observe the Best Practices accepted by the Company, in particular:
 - will inform the Management Board if there is possibility of investing by them or concluding other profitable transaction connected with the subject of the Company activity,
 - will inform immediately the Supervisory Board about each conflict of interests which already occurred or is possible to occur, in connection with the function they perform.
2. In case of an inconsistency between the Company's business with a personal business of a member of the Management Board, his spouse, relatives and kinsmen, the member of the Management Board should restrain himself from taking part in deciding about such matters and he should demand that this be pointed out it in the minutes.

§11

1. Other persons, invited by the President out of his own initiative or on motion of a member of the Management Board, may take part in the meetings of the Management Board.
2. A member of the Management Board has the right to object to the participation of persons from beyond the Management Board. The matter will be settled by the Management Board by means of adopting an adequate resolution.
3. All participants of the meeting are obliged to keep the meetings secret.

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§12

Resolutions passed by the Management Board should contain the date and the number according to the order they are passed and a concise definition of their subject. Members of the Management Board, who pass the resolutions, sign them.

§13

1. The meetings of the Supervisory Board are entered on the minutes, signed by the members of the Management Board, present at the meeting as well as by the recorder.
2. Persons taking part in the meeting, the agenda, the subject of the passed resolutions, number of votes cast for particular resolutions and individual opinions and, in case a member of the Management Board is absent, the reasons of this absence should be enclosed in minutes.
3. The minutes are kept in the book of minutes of the Management Board meetings.

REGULATIONS OF THE GENERAL MEETING¹

Consolidated text²

¹ This document is a free translation of the Polish original. The binding Polish original should be referred to in matters of interpretation.

² Determined by the Supervisory Board's resolution no. 25/2010 dated on 15.04.2010.

REGULATIONS OF THE GENERAL MEETING^{3/4/5/6/7}

§1

The General Meeting, is the highest organ of authority of Stalexport Autostrady S.A. Convening and preparing the General Meeting is done according to the rules determined in the Commercial Companies Code and in the Charter of Stalexport Autostrady S.A.

§2

1. The right to participate in General Meeting have only persons being shareholders 16 days before the date of the General Meeting.
2. The day of registration on the General Meeting is uniform for entitled persons/shareholders having bearer and inscribed shares.
3. The owners of inscribed shares and temporary certificates as well as lienors (pledgers) and the users, who have the right to vote if they are registered in share book on day of the registration on the General Meeting.

§3

1. A list of shareholders authorized to participate in the General Meeting is made up and signed by the Management Board.
2. The list should include:
 - 1) names and surnames (firm names) of shareholders or the name of the company authorized to participate,
 - 2) place of their residence or company's seat,
 - 3) number and type of shares and the number of votes they are entitled to.
3. The list should be displayed at the office of the Management Board of the Company for three working days immediately preceding the date fixed to hold the General Meeting.
4. Each shareholder may review the list of shareholders at the office of the Management Board and demand the duplicate of the list with the return of the costs of its preparation, or an electronic copy, indicating the email address to which the document is to be sent.

§4

1. A shareholder has the right to participate in the General Meeting and has the right to vote personally or by a proxy. The power of attorney to participate in General Meeting should be made in the written or electronic form. The electronic form does not require to be signed by safe electronic signature verified by a valid qualified certificate.
2. *(deleted)*.

§5

The General Meeting is opened by the Chairman of the Supervisory Board or by his deputy, in case that persons are absent – the President of the Management Board or a person pointed by the Management Board, then a chairman is chosen from amongst the persons entitled to participate in the General Meeting.

³ Passed by the Extraordinary General Meeting of Shareholders of STALEXPORT S.A. on 27.11.2002 (resolution no 6)

⁴ Point 4 in § 23 was added by EGSM on 15.01.2004 (resolution no 9)

⁵ Point 2 in § 11 was added by XII OGSM on 24.06.2005 (resolution no 23)

⁶ Point 1 in § 6, point 2 in §10 and point 2 in §22 were changed by the EGSM on 20.10.2006 (resolution no 6)

⁷ Changes made by the General Meeting of Stalexport Autostrady S.A. dated on 30.03.2010 r. (resolution no. 21). The changes concern: §1, §2, §3 point 4, §4 point 1 i 2 (deleted), §6 point.1, §14 point.1 and §23 point. 4

§6

1. Each person entitled to participate in General Meeting Has the right to run for the Chairman of the General Meeting as well as to enter to the minutes the candidatures for the post of the Chairman of the General Meeting.
2. The proposed candidate is entered on the list after inserting the statement to the minutes that he agrees to run for the post.
3. The Chairman of the General Meeting is chosen by means of voting for each candidate separately in the alphabetical order in secret vote.
4. The person, who opens the General Meeting supervises the correctness of voting and announces its results.
5. The person from among the proposed candidates who agreed to run for the post and achieved the highest number of validly cast votes becomes the Chairman of the General Meeting.

§7

1. The Chairman of the General Meeting directs the debate according to the agenda, law regulations and the provisions of these Regulations.
2. The duties of the Chairman of the General Meeting are particularly as follows:
 - 1) taking good care of an efficient and proper course of the agenda and voting,
 - 2) granting the right to speak,
 - 3) supervising the factual course of debates,
 - 4) issuing the adequate order regulations in the conference room,
 - 5) ordaining a break in the debates,
 - 6) ordaining voting and supervising it correct course and signing all documents containing the results of voting,
 - 7) supervising the exhaustion of the agenda,
 - 8) settling doubts resulting from the regulations.

§8

1. The Chairman of the General Meeting immediately after the election, signs the attendance list containing the record of shareholders participating in the General Meeting specifying the number of shares each of them has and the number of votes they are entitled to.
2. The Management Board appoints persons to make up the attendance list.. The attendance list is made up on the basis of the shareholders list, referred to in § 3 of these regulations.
3. While making up the attendance list one should:
 - 1) check whether the shareholder is entitled to participate in the General Meeting,
 - 2) check the identity of the shareholder or his proxy on the basis of the identity card or another reliable document,
 - 3) check the correctness of the power of attorney which should then be enclosed to the
 - 4) minutes of the General Meeting, obtain the signature of the shareholder or his proxy on the attendance list,
 - 5) give the shareholder or his proxy a suitable magnetic card for voting or another document that will be used for voting.
4. The Chairman of the meeting has to be addressed in case the entitlement to participate in the General Meeting is called off. The attendance list is displayed during the debates of the General Meeting all the time till it is closed. Persons who make up the attendance list are obliged to introduce, without delay, changes of the persons constituting the General Meeting and at the same time indicate the moment they occurred.
5. At the motion of the shareholders, owing 1/10 of the equity represented at that General Meeting, the attendance list should be made up by the committee chosen for that purpose, including at least three persons, and the applicants have right to choose one member of the committee.

§9

After electing and signing the attendance list, the Chairman of the General Meeting ascertains that the Meeting has been convened in a proper way and confirms its ability to pass resolutions, presents the agenda and ordains the election of the Scrutinizing Committee. When necessary, the Chairman of the General Meeting may appoint a person to perform the function of the Secretary of the Meeting who will help him.

§10

1. The Scrutinizing Committee consisting of 3 to 5 members is chosen by the General Meeting by means of the absolute majority of votes cast in secret vote.
2. Each shareholder has the right to enter any number of candidates proposal to the minutes. The voting is carried out for each candidate separately in the alphabetical order. The indicated persons should give their consent to run in the elections. Those candidates who consecutively received the highest number of votes are considered chosen.
3. The Committee chooses the Chairman and the Secretary from among themselves.
4. The duty of the Committee is to supervise the correct course of voting and the computer service of voting, checking and estimating the results of voting and submitting them to the Chairman of the General Meeting and performing other duties connected with the voting procedure.
5. In case of noting an irregularity in the course of voting, the Committee is obliged to immediately inform the Chairman of the General Meeting and at the same time file motions as to the further procedure.
6. Documents containing the results of each voting are signed by all members of the Committee and the Chairman of the General Meeting.
7. The General Meeting may appoint other committees to perform indicated or commissioned functions in the same course as electing the Scrutinizing Committee.
8. Minutes are taken from the functions of the Committee. After being signed by the Chairman and the Secretary they are submitted to the Chairman of the General Meeting.

§10a

In case the voting is carried out via the computer system of casting and counting the votes, the General Meeting may pass a resolution on not appointing the Scrutinizing Committee. In such case the print of the voting is signed by the Chairman of the General Meeting

§11

1. The General Meeting may pass a resolution to cross out matters from the agenda, as well as to change the order of matters covered by the agenda.
2. Resolutions cannot be passed in subjects not covered by the agenda, unless the whole share capital is represented at the General Meeting and nobody from the present opposes passing the resolution.
3. Taking off of the agenda or abandonment of examining the question put on the agenda, on motion of the shareholders, requires passing a resolution of the general meeting, after approval given beforehand by all present shareholders, who notified such motion, supported by at least 75% votes of the general meeting.

§12

1. After presenting each consecutive matter included on the agenda, the Chairman of the General Meeting opens the debate, granting the right to speak according to the order of submitted applications.
2. The Chairman of the General Meeting may grant the right to speak to all members of the Management Board and the Supervisory Board beyond the order.
3. The Chairman of the General Meeting may ordain to register applications for the discussion in writing, indicating the name and the surname.
4. In case there are too many applications for discussion over a definite point of the agenda, the Chairman of the General Meeting may submit a motion for voting whether to close the discussion over this point of debate or shorten the time of their speeches.

§13

1. One has the right to speak only in matters covered by the approved agenda and being currently considered.
2. While considering each point of agenda, each shareholder has the right to a one 5-minute speech and a 3-minute-retort.
3. The Chairman of the General Meeting has the right to rebuke the speaker, who strays from the point of discussion or exceeds the time limit determined in point 2. The Chairman may deprive of speech those speakers who do not comply with the remarks.

§14

1. Each of the shareholders entitled to participate in General Meeting Has the right to ask questions on each item of the Agenda.
2. Members of the Company's authorities - each within his competences – are obliged to give profound answers and explanations to all questions asked.

§15

1. Each shareholder has the right to submit suggestions of changes and supplements to projects of resolutions covered by the agenda of the debates of the General Meeting – till the discussion over a point of agenda covering the project of the resolution is closed.
2. These suggestions with a short justification should be submitted in writing – separately for each project of the resolution - indicating the name and surname (firm) of the shareholder, to the Chairman of the General Meeting personally. The suggestions of the amendments and supplements of the formal and language character may be submitted verbally with a short justification.

§16

The Chairman of the General Meeting has the right to allow experts to speak, in particular the representatives of the expert auditor.

§17

1. In formal matters the Chairman allows to speak beyond the order. A motion in a formal matter may be submitted by each shareholder.
2. The motions referring to the course of debating and voting are regarded to be motions in formal matters and in particular referring to:
 - 1) limitation, postponement or closing the discussion
 - 2) closing the list of speakers,
 - 3) limitation of the time of speeches,
 - 4) the way of conducting debates,
 - 5) ordaining a break in debates,
 - 6) the order of passing motions.
3. A discussion over formal motions should be opened immediately after they are submitted.
4. In a discussion over motions in formal matters only two speakers can rise to speak one for and one against the submitted motion, unless the General Meeting decides otherwise.
5. Immediately after the discussion, the Chairman of the General Meeting submits a motion in a formal matter for voting which is passed by the absolute majority of cast votes.

§18

1. The General Meeting is valid no matter how many shares are represented at this Meeting except cases determined in the Commercial companies code.
2. The absolute majority of votes is necessary for the validity of the resolutions, except the cases determined in Commercial companies code and the Company's Charter.

§19

A shareholder can vote neither personally nor by a proxy or as well as a proxy of another person over the resolutions concerning:

- his responsibility before the Company whatever the claim is, including granting the discharge,
- discharging form the liabilities towards the Company.
- disputes between him and the Company.

§20

1. The votings have the form of open ballots.
2. A secret vote is ordained at elections and over motions to call off the members of the Company's authorities or liquidators, to call the members of the Company' s authorities account, also in personal matters, as well as at the demand of even one of the present shareholders or represented at the General Meeting.

§21

1. After closing the discussion over each point of the agenda, before starting to vote, the Chairman announces which motions were submitted and determines the order of voting. Voting over motions is carried out according to the order they are submitted.
2. The voting is carried out via a computer system of casting and counting voices, ensuring that casting votes at the amount corresponds to the number of owned shares as well as eliminating – in case of secret vote – the possibility of identifying the way of casting votes by individual shareholders, or in another way accepted by the organ convening the General Meeting or passed by the General Meeting.

§22

1. Before starting the election to the Supervisory Board, the General Meeting on motion of the Chairman of the General Meeting determines the number of members of the Supervisory Board each time according to the Statutes of the Company.
2. Each shareholder has the right to propose any number of candidates for a member of the Supervisory Board. Each candidate is proposed orally to the minutes with a brief motivation.
3. The proposed candidate is registered on the list after he enters to the minutes a declaration orally or in writing, that he agrees to candidate.
4. The Chairman of the General Meeting makes the list of proposed candidates for members of the Supervisory Board in an alphabetical order. When the list is made public it is regarded as closed.

§23

1. Elections to the Supervisory Board are carried out by secret vote for each candidate separately in an alphabetical order.
2. Those candidates are regarded to be chosen for members of the Supervisory Board who consecutively achieved the highest amount of votes and achieved the absolute majority of votes.
3. In case the candidates qualified to enter the Supervisory Board achieved an equal number of votes, the Chairman ordains complementary voting. This person is regarded to be chosen who achieved the highest amount of votes.
4. In case of choosing the members of the Supervisory Board – on the shareholders` motion – by voting by groups, it takes place on the basis of a separate attendance list, In a separate place, enabling the choice of the chairman of the meeting of a given group, as well as having a discussion and carrying out the election.

§24

When the course of the agenda is completed, the Chairman of the General Meeting announces the closure of the General Meeting.

§25

1. Resolutions of the General Meeting are entered on the minutes by a notary public under pain of being invalid.
2. The minutes are taken according to the contents of adequate regulations of the Commercial companies code.
3. The Management Board of the Company enters the duplicate of the minutes into the Minute-Book.
4. Shareholders have the right to review the Minute-Book, as well as to demand an issue of copies of resolutions certified by the Management Board.
5. Detailed minutes from the agenda are taken by the Secretary of the General Meeting provided he will be appointed by the Chairman of the General Meeting.

§26

Resolutions of the General Meeting may be appealed to the Court in the course and on conditions determined in art. 422 and subsequent ones of the Commercial companies code.

§27

Regulations of the Commercial companies code and the Statutes of the Company are applied in cases not settled by these Regulations.

§28

The Regulations as well as the amendments take effect beginning from the next General Meeting after the meeting at which the Regulations was passed or its amendments.

REGULATIONS OF THE SUPERVISORY BOARD¹

¹ This document is a free translation of the Polish original. The binding Polish original should be referred to in matters of interpretation.

REGULATIONS OF THE SUPERVISORY BOARD ²/³/⁴/⁵/⁶/⁷/⁸/⁹

I. GENERAL PROVISIONS

§1

The Supervisory Board acts on the basis determines, on the basis of the Company's Statutes, the resolutions of the General Meeting of Shareholders as well as on the law regulations in force, especially the Commercial Companies Code.

§2

The Supervisory Board permanently supervises the activity of the Company in all branches of its enterprise, and the detailed competences are determined in § 18 of the Company's Statutes.

§3

The Supervisory Board performs its tasks and duties at the meetings as well as, as determined in § 17 section 3 and 4 of the Company's Statutes, also by supervising and monitoring the Company's activities in its all domains.

II. COMPOSITION AND ELECTION OF THE SUPERVISORY BOARD

§4

The Supervisory Board is composed of 5-9 members chosen in the way determined in the Company's Statutes, and performs its rights and duties personally.

§5

1. The joint term of the Supervisory Board lasts 3 years, simultaneously both the whole Board and each of its members may be dismissed by the General Meeting at any time.
2. The mandates of the members of the Supervisory Board expire:
 - a) with the lapse of the term i.e. with a date of the General Meeting confirming the financial statement of the Company for the last turnover year of performing their duties,
 - b) in case of resigning from the function,
 - c) in case of dismissal by the General Meeting with a passing of the appropriate resolution,
 - d) in case of death of the Board member.

² Passed by the Supervisory Board on 07.08.2002 (resolution no 14/2002)

³ Amended by the Supervisory Board on 07.06.2004 (resolution no 9/2004, amendments concern par. 5 passage 2 point 2b and par. 9 passage 1)

⁴ Amended by the Supervisory Board on 06.07.2005 (resolution no 10/2005), amendments concern par 21 (reading of the first line was changed as well as point 12) and par. 25 (point 2 was added)

⁵ Amended by the Supervisory Board on 02.03.2007 (resolution no 9/2007) the change concerns § 25 point 2 (second sentence was added in point 2 – introducing the Regulations of Remuneration and Audit Committees).

⁶ Amended by the Supervisory Board on 30.07.2009 (resolution no 16/2009) the change concerns § 25 point 2 (new wording and approval of the new Regulations of the Audit Committee of Supervisory Board of Stalexport Autostrady S.A.)

⁷ Amended by the Supervisory Board on 02.03.2010 (resolution no 3/2010) the change concerns §3, §4, §8 point 1, §12 point 3 and §28.

⁸ Amended by the Supervisory Board – resolution no 16/2011. The amendment refers to §13 and art.1 of the Regulations of the Audit Committee, which the enclosure no 2 to the Regulations of the Supervisory Board.

⁹ Amended by the Supervisory Board – resolution no 11/2012. The amendment refers to §19 (§20 and §21 deleted).

§6

If the composition of the Supervisory Board is diminished during the term, the Chairman of the Board submits a motion to supplement the composition at the nearest General Meeting.

§7

On the first meeting of a new term of office, the Supervisory Board chooses from themselves, in secret voting, the Chairman, the Vice Chairman and the Secretary; on the subsequent meeting, in case of need, the complementary elections are held.

III. CONVENING THE MEETINGS AND CONDUCTING THE AGENDA

§8

1. The Supervisory Board's meetings are held if necessary, but not less frequently than three times a turnover year.
2. It is the duty of the Chairman of the Supervisory Board or his deputy to convene the meeting of the Supervisory Board at the demand of the Management Board or the member of the Supervisory Board, including the proposed agenda within two weeks after submitting the motion.

§9

1. The notification of the Supervisory Board meeting together with the agenda should be sent at least 7 days before the planned date of the meeting, by means of registered mail or fax or by e-mail. The notification is effective if it is confirmed.
In justified cases the Chairman of the Supervisory Board may shorten the above date.
2. The member of the Supervisory Board, not able to participate in the meeting, notifies the Chairman of the Supervisory Board by means of mail, phone, fax or e-mail of the cause of his absence, sent to the address of the Company's Office in Warsaw.
3. The Management Board is responsible for the distribution of the materials and their protection.

§10

1. The agenda of the meeting is determined by the person who convenes it, or by his authorisation, by the Board Secretary, including the motions to convene the meeting submitted according to § 8.2. of the Regulations.
2. The resolutions may be passed only in matters covered by the agenda, unless all members of the Board are present at the meeting and agree to supplement the agenda and to vote on the matter not included earlier in agenda.

§11

1. The Chairman of the Supervisory Board directs the works of the Board, convenes the Board's meetings and presides over the convention. In case the Chairman is absent his duty is performed by his deputy.
2. The Chairman of the Supervisory Board of the previous term of office convenes and opens the first meeting of a newly chosen Board and he presides over it until the Chairman of the Supervisory Board of a new term office is chosen.

§12

1. The Supervisory Board passes the resolutions by the absolute majority, i.e. the number of votes which exceeds half of the validly cast votes of at least half present composition of the Supervisory Board which was properly notified.

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2. The members of the Supervisory Board may participate in passing resolutions by the Board, casting their votes in writing or through the other member of the Supervisory Board excluding the matters put on agenda at the meeting of the Board.
3. The voting is open. The secret voting is applied during elections and on motions to dismiss a member of the Management Board or the whole Management Board, to prosecute them, as well as in personal matter. Besides, the Board may resolve a secret voting in every matter by absolute majority of votes of the members present at the meeting.

§13

The members of the Supervisory Board may participate in passing resolutions by the Board, casting their votes in writing or by means of direct distant communication provided that all members of the Board are notified of a resolution draft (circular course).

§14

1. On the meetings despite resolutions the Supervisory Board also passes provisions such as: the opinions and motions for the General Meeting as well as the recommendations after the supervision actions for the Management Board.
2. While passing provisions the same rules are applied as while passing resolutions.

§15

The meetings of the Supervisory Board are entered on the minutes. The minutes should record the date and the agenda of the meeting, names and surnames of the Board members present at the meeting as well as the persons invited; the statement that the Board has capacity to pass resolutions and that all members has been notified of the meeting; the numbers of votes cast during voting on individual provisions together with their tenors and dissenting judgement.

§16

The minutes from the meeting are signed by all members of the Supervisory Board present at the meeting. Signing may take place at the subsequent meeting of the Board. The refusal to sign should be justified in writing.

§17

1. The Supervisory Board is obliged to keep the minute-book.
2. The Supervisory Board keeps the separate resolutions-book which includes only the resolutions passed by the Board. The resolutions are signed by the Chairman of the Board or by his Deputy and the Secretary (if need be – the member of the Board drawing up the minutes).
3. The Secretary of the Supervisory Board is responsible for drawing up the minutes, keeping the minutes-book and the resolutions book.

§18

1. The President of the Management Board of the Company is invited to the Supervisory Board meetings and may participate in them.
2. The Chairman of the Supervisory Board may also invite other persons to the meeting of the Supervisory Board.
3. The Chairman of the Management Board may submit a motion to invite other members of the Management Board, proxies or attorneys at the individual points of the agenda. The decision in this matter is made by the Chairman of the Board or his deputy.

IV. TASKS AND THE RANGE OF THE SUPERVISORY BOARD ACTIVITY

§19

1. The Supervisory Board permanently supervises the activity of the Company in all domains of its activity.
2. The Supervisory Board has, in particular, the following entitlements:
 - 1) to estimate the reports of the Management Board on the Company's activity and the financial report for the previous turnover year in the range of their conformity with the books and documents, as well as, with the real status,
 - 2) to estimate the motions of the Management Board concerning the profit distribution or loss coverage,
 - 3) to submit to the General Meeting an annual report, in writing, on the results of the estimates mentioned in point 1 and 2.
3. The Supervisory Board is also entitled to:
 - 1) to approve the regulations of the Management Board of the Company,
 - 2) to appoint and recall individual or all members of the Management Board (in a secret voting),
 - 3) to conclude contracts with the members of the management, including the establishment of the remuneration and other terms of performing the function of the member of the Management Board,
 - 4) to determine the remuneration for the member of the Supervisory Board delegated to a permanent individual supervision in case of entrusting this entitlement by the General Meeting,
 - 5) to suspend in functions – out of important reasons - individual or all members of the Management Board (in a secret voting),
 - 6) to delegate the members of the Supervisory Board to temporarily perform the functions of the members of the Management Board who are not able to perform their functions,
 - 7) to grant consent for reducing employment if it has a nature of the so called group dismissal according to the interpretation of proper regulations,
 - 8) to choose, upon the motion of the Management Board, an expert auditor in order to examine financial reports,
 - 9) to give consent to acquire and sell real estates, perpetual usufruct or a share in the real estate of a value exceeding five million PLN,
 - 10) to grant the Management Board the consent for acquiring and taking over shares or stocks in other companies the single value of which exceeds one million PLN or 25% in the capital of such company,
 - 11) to grant consent for setting up branch offices or representative offices abroad,
 - 12) to approve the investment plan for the Company and the Stalexport Autostrady Capital Group,
 - 13) to give an opinion on the resolutions presented by the Management Board on General Meetings,
 - 14) to give consent to grant guarantees or warranties and also to contract other off- balance sheet liabilities, the single value of which exceeds five million PLN,
 - 15) to give consent - on the motion of the Management Board – to issue the bonds other than convertible ones and with the priority rights,
 - 16) on the motion of the Management Board – to give a consent to transfer the rights and duties resulting from licences and concessions granted the Company by appropriate bodies of administration,
 - 17) on the motion of the Management Board – to give an opinion regarding the sale and leasing of the enterprises as well as tangible and intangible assets and making the right of perpetual usufruct on them, on the motion of the Management Board – to give a consent to sell the shares in the subsidiary companies for which Stalexport Autostrady S.A. with the seat in Katowice, is the dominant company.

§20

The Supervisory Board is entitled – through the Management Board which is obliged to conclude suitable agreements - to demand to perform for its needs, at the Company's expense, the expert's reports, analysis and other documents necessary to perform its statutory purposes.

§21

The members of the Supervisory Board has right to participate in the Management Board meetings.

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§22

The Chairman of the Board is entitled – performing the resolutions of the Board – to demand that the meeting of the Management Board of the Company should be convened and particular problems be put on the agenda.

§23

1. The Supervisory Board or delegated, individual members of the Board have the right to supervise the full range of the Company's activity, and in particular:
 - a) to exam all documents of the Company,
 - b) to demand the reports and explanations from the Management Board and the employees,
 - c) to verify the assets of the Company.
2. The Supervisory Board appoints, out of its members, the Management Board's Remuneration Committee and the Audit Committee, determining the tasks, rights and the modus operandi in their Regulations. The committees report to the Board on their annual activity, and their regulations are the enclosures to the Regulations of the Supervisory Board.

§24

The information undertaken by the members of the Supervisory Board in connection with the performance of their duties, is an official secret.

§25

1. The Supervisory Board may delegate its members to perform individual particular supervision.
2. The members of the Board delegated to perform supervision mentioned above, receive separate remuneration in the amount determined every time by the General Meeting, at the motion of the Board.

§26

The Supervisory Board is entitled to convene the Extraordinary General Meeting if the Management Board does not do so within the time period defined in the Statutes as well as the Extraordinary General Meeting insofar as it is deemed necessary

§27

The members of the Supervisory Board receive the remuneration in the amount and on principles resolved by the General Meeting.

§28

1. The costs of the Supervisory Board activity are covered by the Company.
2. The Supervisory Board uses the office rooms, devices and materials of the Company.
3. The administrative and technical service is provided by the Company.

§29

The regulations become effective from the date they are passed.

The Secretary
of the Supervisory Board
/-/ Michelangelo Damasco

The Chairman
of the Supervisory Board
/-/ Roberto Mengucci

*Enclosure no 1
to the Regulations of the Supervisory Board
Stalexport Autostrady S.A.*

**Regulations¹⁰
of the Remuneration Committee of the Supervisory Board
of Stalexport Autostrady S.A.**

1. General provisions

The Remuneration Committee (hereafter called Committee) is an advisory body, subject to the Supervisory Board.

2. Composition of the Committee

- 1) the Committee is appointed by the Supervisory Board and composed of the Supervisory Board members,
- 2) the Supervisory Board appoints the Chairman of the Committee (hereafter called „the Chairman”),
- 3) the Chairman directs the work of the Committee.

3. Rules of activity

- 1) the meetings of the Remuneration Committee are held at its discretion,
- 2) the Chairman of the Committee may invite to the meetings of the Committee the members of the Supervisory Board or of the Management Board, the employees of the Company or other persons,
- 3) the Committee takes decisions by the simple majority. In case of equal number of votes, the conclusive vote belongs to the Chairman,
- 4) the members of the Committee may participate in the meetings of the Committee and vote personally, or by means of direct distant communication,
- 5) the meetings of the Remuneration Committee are convened by the Chairman. The information on the meeting must be delivered to the members of the Committee, at least 5 days before the meeting, and if there is a need, not later than one day before the meeting,
- 6) the Chairman may appoint the secretary of the Committee, the task of which will be, in particular, preparing the agenda, arranging the distributions of the documents and drawing up the minutes of the meetings of the Committee.

4. The tasks of the Committee

The task of the Committee is present to the Supervisory Board the recommendation of the principles and the remuneration amount of the Management Board members.

¹⁰ Approved by the resolution no 9/2007 dated 02.03.2007 in regard to the changes in the Regulations of the Supervisory Board of STALEXPORT S.A.

The detailed tasks of the Committee cover:

- 1) determining the terms of employment and remuneration of the members of the Management Board,
- 2) annual presenting to the Supervisory Board of the proposals of bonus tasks for the members of the Management Board as well as the criteria of assessment of their execution,
- 3) presenting to the Supervisory Board the recommendations concerning the amount of the bonus for the members of the Management Board,
- 4) drawing up an annual report on the activity of the Committee for the Supervisory Board.

4. Powers of the Committee

The Committee is entitled to:

- 1) examining any activity of the Company, essential from the viewpoint of the tasks of the Committee,
- 2) obtaining from the Management Board any information, experts' reports, reports and explanations, essential for the activity of the Committee.

*Enclosure no 2
to the Regulations of the Supervisory Board
Stalexport Autostrady S.A.*

**Regulations^{11/12}
of the Audit Committee of the Supervisory Board
Stalexport Autostrady S.A.**

§1

The Audit Committee consists of three members of the Supervisory Board – *appointed by the Supervisory Board* – The Chairman is in charge of the Committee.

§2

The tasks of the Audit Committee, include in particular:

- 1) monitoring of financial reporting process of the Company,
- 2) monitoring of effectiveness of the internal control systems, the internal audit and risk management in the Company,
- 3) monitoring of financial audit,
- 4) monitoring of independence of auditor and entity authorized to audit financial statements, including other services provided for the Company,
- 5) recommending to the Supervisory Board the entity authorized to audit financial statements which will perform financial audit in the Company,
- 6) reviewing and analyzing the periodic and annual financial statements of the Company, both individual and consolidated ones, and next presenting the essential conclusions to Supervisory Board of the Company,
- 7) drawing up the annual report on the activity of the Committee for Supervisory Board.

§3

The Audit Committee is authorized in particular:

- 1) to examine the documentation of the Company regarding the matters and issues covered by the Committee's tasks, also to receive from the Management Board and through it, from the other employees of the Company any information and explanations concerning the issues covered by the Committee competence,
- 2) to cooperate with auditors in the issues covered by the tasks of the Committee, including the following:

¹¹ Approved by the resolution no 16/2009 dated 30.07.2009 regarding the changes in the Regulations of the Supervisory Board and approving the Regulations of the Audit Committee.

¹² Amended by the Supervisory Board - resolution no 16/2011. The amendment refers to art.1 of the Regulations of the Audit Committee.

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- to receive from entity authorized to audit the financial statements of the Company (performing a financial statement audit in the Company), a declaration confirming its independence and also the independence of auditors,
- to receive from the above entity a declaration of other services provided for the Company, such as tax consultancy, preparing the expert opinions or other services,
- to receive from the aforementioned entity an information in writing on threats of independence of the entity authorized to audit financial statements and the action taken to limit such threats.

§ 4

1. The Audit Committee holds regular meetings at least once a quarter prior to publication of financial statements by the Company.
2. The meetings of the Committee are convened by its Chairman, who duly informs the other members of the Committee about it, no later than five days before the date of the meeting, and exceptionally in urgent cases, one day before the meeting's date.
3. The Audit Committee takes the decisions by simple majority of votes with a reservation, that in case of casting the equal number of votes in favour and against, the Chairman has the final vote.
4. The Audit Committee performs its tasks at the meetings, however in justified cases it is acceptable to make a decision by means of direct distant communication such as phone, e-mail, etc.
5. The Chairman of the Audit Committee can designate other member of the Committee to take the responsibility for its organizational issues and to draw up the minutes of its meetings.

A statement on the company's compliance with
the corporate governance recommendations and
principles contained in Best Practice for GPW Listed
Companies 2016¹

¹ This document is a free translation of the Polish original. The binding Polish original should be referred to in matters of interpretation.

Warszawa, 2016-01-08

Stalexport Autostrady S.A.

**A statement on the company's compliance with
the corporate governance recommendations and
principles contained in Best Practice for GPW Listed
Companies 2016**

According to the current status of compliance with the Best Practice, the Company does not apply 3 recommendations: VI.R.1., VI.R.2., VI.R.3.

According to the current status of compliance with the Best Practice, the Company does not apply 4 detailed principles: I.Z.1.9. , II.Z.8., III.Z.3., VI.Z.1.

I. DISCLOSURE POLICY, INVESTOR COMMUNICATIONS

Listed companies should ensure adequate communications with investors and analysts by pursuing a transparent and effective disclosure policy. To this end, they should ensure easy and non-discriminatory access to disclosed information using diverse tools of communication.

Recommendations

I.R.1. Where a company becomes aware that untrue information is disseminated in the media, which significantly affects its evaluation, it should immediately publish on its website a communiqué containing its position on such information, unless in the opinion of the company the nature of such information and the circumstances of its publication give reasons to follow a more adequate solution.

The principle is applied.

I.R.2. Where a company pursues sponsorship, charity or other similar activities, it should publish information about the relevant policy in its annual activity report.

The principle is applied.

I.R.3. Companies should allow investors and analysts to ask questions and receive explanations – subject to prohibitions defined in the applicable legislation – on topics of their interest. This recommendation may be implemented through open meetings with investors and analysts or in other formats allowed by a company.

The principle is applied.

I.R.4. Companies should use best efforts, including taking all steps well in advance as necessary to prepare a periodic report, to allow investors to review their financial results as soon as possible after the end of a reporting period.

The principle is applied.

Detailed principles

I.Z.1. A company should operate a corporate website and publish on it, in a legible form and in a separate section, in addition to information required under the legislation:

I.Z.1.1. basic corporate documents, in particular the company's articles of association;

The principle is applied.

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I.Z.1.2. the full names of the members of its management board and supervisory board and the professional CVs of the members of these bodies including information on the fulfilment of the criteria of independence by members of the supervisory board;

The principle is applied.

I.Z.1.3. a chart showing the division of duties and responsibilities among members of the management board drawn up according to principle II.Z.1;

The principle is applied.

I.Z.1.4. the current structure of shareholders indicating those shareholders that hold at least 5% of the total vote in the company according to information provided to the company by shareholders under the applicable legislation;

The principle is applied.

I.Z.1.5. current and periodic reports, prospectuses and information memoranda with annexes, published by the company at least in the last 5 years;

The principle is applied.

I.Z.1.6. information on the dates of corporate events leading to the acquisition or limitation of rights of a shareholder, information on the dates of publication of financial reports and other events relevant to investors, within a timeframe enabling investors to make investment decisions;

The principle is applied.

I.Z.1.7. information materials published by the company concerning the company's strategy and its financial results;

The principle is applied.

I.Z.1.8. selected financial data of the company for the last 5 years of business in a format enabling the recipient to process such data;

The principle is applied.

I.Z.1.9. information about the planned dividend and the dividend paid out by the company in the last 5 financial years, including the dividend record date, the dividend payment date and the dividend amount, in aggregate and per share;

The principle is not applied.

Comments of the Company: *In the past 5 financial years Stalexport Autostrady S.A. (STXA) did not pay out any dividend. When it comes to the planned dividend, the Company does not intend to apply this principle due to the fact that whether or not STXA will plan to pay out any dividend depends on obtaining by its subsidiary – Stalexport Autostrada Małopolska S.A. (SAM) – approvals for SAM to pay out dividends granted by the banks funding its activity (under the project finance scheme).*

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.

Comments of the Company: *The Company has not published projections so far and does not intend to publish them.*

I.Z.1.11. information about the content of the company's internal rule of changing the company authorised to audit financial statements or information about the absence of such rule;

The principle is applied.

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I.Z.1.12. a statement on compliance with the corporate governance principles contained in the last published annual report;

The principle is applied.

I.Z.1.13. a statement on the company's compliance with the corporate governance recommendations and principles contained herein, consistent with the information that the company should report under the applicable legislation;

The principle is applied.

I.Z.1.14. materials provided to the general meeting, including assessments, reports and positions referred to in principle II.Z.10, tabled to the general meeting by the supervisory board;

The principle is applied.

I.Z.1.15. information about the company's diversity policy applicable to the company's governing bodies and key managers; the description should cover the following elements of the diversity policy: gender, education, age, professional experience, and specify the goals of the diversity policy and its implementation in the reporting period; where the company has not drafted and implemented a diversity policy, it should publish the explanation of its decision on its website;

The principle is applied.

Comments of the Company: *The Company has not drafted and implemented a diversity policy. The explanation of that decision was published on the Company's website.*

I.Z.1.16. information about the planned transmission of a general meeting, not later than 7 days before the date of the general meeting;

The principle is applied.

I.Z.1.17. justification of draft resolutions of the general meeting concerning issues and determinations which are relevant to or may give rise to doubts of shareholders, within a timeframe enabling participants of the general meeting to review them and pass the resolution with adequate understanding;

The principle is applied.

I.Z.1.18. information about the reasons for cancellation of a general meeting, change of its date or agenda, and information about breaks in a general meeting and the grounds of those breaks;

The principle is applied.

I.Z.1.19. shareholders' questions asked to the management board pursuant to Article 428 § 1 or § 6 of the Commercial Companies Code together with answers of the management board to those questions, or a detailed explanation of the reasons why no answer is provided, pursuant to principle IV.Z.13;

The principle is applied.

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

The principle is applied.

I.Z.1.21. contact details of the company's investor relations officers including the full name and e-mail address or telephone number.

The principle is applied.

I.Z.2. A company whose shares participate in the exchange index WIG20 or mWIG40 should ensure that its website is also available in English, at least to the extent described in principle I.Z.1. This principle should also be followed by companies not participating in these indices if so required by the structure of their shareholders or the nature and scope of their activity.

The principle is applied.

II. MANAGEMENT BOARD, SUPERVISORY BOARD

A listed company is managed by its management board, whose members act in the interest of the company and are responsible for its activity. The management board is responsible among others for the company's leadership, engagement in setting and implementing its strategic objectives, and ensuring the company's efficiency and safety.

A company is supervised by an effective and competent supervisory board. Supervisory Board members act in the interest of the company and follow their independent opinions and judgement. The supervisory board in particular issues opinions on the company's strategy, verifies the work of the management board in pursuit of defined strategic objectives, and monitors the company's performance.

Recommendations

II.R.1. To ensure the highest standards of the management board and the supervisory board of a company in efficient fulfilment of their obligations, the management board and the supervisory board should have members who represent high qualifications and experience.

The principle is applied.

II.R.2. Decisions to elect members of the management board or the supervisory board of a company should ensure that the composition of these bodies is comprehensive and diverse among others in terms of gender, education, age and professional experience.

The principle is applied.

II.R.3. Functions on the management board of a company should be the main area of the professional activity of management board members. Additional professional activities of management board members must not require so much time and effort that they could adversely affect proper performance of functions in the company. In particular, management board members should not be members of governing bodies of other entities if the time devoted to functions in such other entities prevents their proper performance in the company.

The principle is applied.

II.R.4. Supervisory board members must be able to devote the time necessary to perform their duties.

The principle is applied.

II.R.5. If a supervisory board member resigns or is unable to perform his or her functions, the company should immediately take steps necessary to ensure substitution or replacement on the supervisory board.

The principle is applied.

II.R.6. Being aware of the pending expiration of the term of office of management board members and their plans of further performance of functions on the management board, the supervisory board should take steps in advance to ensure efficient operation of the company's management board.

The principle is applied.

II.R.7. A company should allow its supervisory board to use professional and independent advisory services necessary for the supervisory board to exercise effective supervision in the company. In its selection of the advisory service provider, the supervisory board should take into account the financial standing of the company.

The principle is applied.

Detailed principles

II.Z.1. The internal division of responsibilities for individual areas of the company's activity among management board members should be clear and transparent, and a chart describing that division should be available on the company's website.

The principle is applied.

II.Z.2. A company's management board members may sit on the management board or supervisory board of companies other than members of its group subject to the approval of the supervisory board.

The principle is applied.

II.Z.3. At least two members of the supervisory board should meet the criteria of being independent referred to in principle II.Z.4.

The principle is applied.

II.Z.4. Annex II to the European Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board applies to the independence criteria of supervisory board members. Irrespective of the provisions of point 1(b) of the said Annex, a person who is an employee of the company or its subsidiary or affiliate or has entered into a similar agreement with any of them cannot be deemed to meet the independence criteria. In addition, a relationship with a shareholder precluding the independence of a member of the supervisory board as understood in this principle is an actual and significant relationship with any shareholder who holds at least 5% of the total vote in the company.

The principle is applied.

II.Z.5. Each supervisory board member should provide the other members of the supervisory board as well as the company's management board with a statement of meeting the independence criteria referred to in principle II.Z.4.

The principle is applied.

II.Z.6. The supervisory board should identify any relationships or circumstances which may affect a supervisory board member's fulfilment of the independence criteria. An assessment of supervisory board members' fulfilment of the independence criteria should be presented by the supervisory board according to principle II.Z.10.2.

The principle is applied.

II.Z.7. Annex I to the Commission Recommendation referred to in principle II.Z.4 applies to the tasks and the operation of the committees of the Supervisory Board. Where the functions of the audit committee are performed by the supervisory board, the foregoing should apply accordingly.

The principle is applied.

II.Z.8. The chair of the audit committee should meet the independence criteria referred to in principle II.Z.4.

The principle is not applied.

Comments of the Company: *The present Chair of the Audit Committee does not meet these criteria. The Company's Management Board intends to follow this principle in the future. However, following this principle depends on adopting relevant resolutions by the Supervisory Board.*

II.Z.9. To enable the supervisory board to perform its duties, the company's management board should give the supervisory board access to information on matters concerning the company.

The principle is applied.

II.Z.10. In addition to its responsibilities laid down in the legislation, the supervisory board should prepare and present to the ordinary general meeting once per year the following:

II.Z.10.1. an assessment of the company's standing including an assessment of the internal control, risk management and compliance systems and the internal audit function; such assessment should cover all significant controls, in particular financial reporting and operational controls;

The principle is applied.

II.Z.10.2. a report on the activity of the supervisory board containing at least the following information:

- full names of the members of the supervisory board and its committees;
- supervisory board members' fulfilment of the independence criteria;
- number of meetings of the supervisory board and its committees in the reporting period;
- self-assessment of the supervisory board;

The principle is applied.

II.Z.10.3. an assessment of the company's compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities;

The principle is applied.

II.Z.10.4. an assessment of the rationality of the company's policy referred to in recommendation I.R.2 or information about the absence of such policy.

The principle is applied.

II.Z.11. The supervisory board should review and issue opinions on matters to be decided in resolutions of the general meeting.

The principle is applied.

III. INTERNAL SYSTEMS AND FUNCTIONS

Listed companies should maintain efficient internal control, risk management and compliance systems and an efficient internal audit function adequate to the size of the company and the type and scale of its activity.

Recommendations

III.R.1. The company's structure should include separate units responsible for the performance of tasks in individual systems or functions, unless the separation of such units is not justified by the size or type of the company's activity.

The principle is applied.

Detailed principles

III.Z.1. The company's management board is responsible for the implementation and maintenance of efficient internal control, risk management and compliance systems and internal audit function.

The principle is applied.

III.Z.2. Subject to principle III.Z.3, persons responsible for risk management, internal audit and compliance should report directly to the president or other member of the management board and should be allowed to report directly to the supervisory board or the audit committee.

The principle is applied.

Comments of the Company: *Having regard to the limited scope of activities of Stalexport Autostrady S.A. and a small number of people employed by the Company, Stalexport Autostrady S.A. has not established any organisational units responsible for the performance of tasks in individual systems and functions referred to in recommendation III.R.1, except for the function of supervision of compliance, for the performance of which a Compliance Officer has been appointed. The Compliance Officer reports directly to the Board's President and*

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can report directly to the Supervisory Board of Stalexport Autostrady S.A. As far as control, internal audit and risk management are concerned, relevant functions and tasks are performed by the Members of the Management Board of Stalexport Autostrady S.A. according to their responsibilities.

III.Z.3. The independence rules defined in generally accepted international standards of the professional internal audit practice apply to the person heading the internal audit function and other persons responsible for such tasks.

The principle is not applied.

Comments of the Company: *This principle is not applied except for the function of supervision of compliance, for the performance of which the Compliance Officer has been appointed.*

III.Z.4. The person responsible for internal audit (if the function is separated in the company) and the management board should report to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle III.Z.1 and table a relevant report.

The principle is applied.

III.Z.5. The supervisory board should monitor the efficiency of the systems and functions referred to in principle III.Z.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and make an annual assessment of the efficiency of such systems and functions according to principle II.Z.10.1. Where the company has an audit committee, it should monitor the efficiency of the systems and functions referred to in principle III.Z.1, which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.

The principle is applied.

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 is applied.

IV. GENERAL MEETING, SHAREHOLDER RELATIONS

The management board and the supervisory board of a listed company should encourage the engagement of shareholders in matters of the company, in particular through active participation in the general meeting.

The general meeting should proceed by respecting the rights of shareholders and ensuring that passed resolutions do not infringe on reasonable interests of different groups of shareholders.

Shareholders who participate in a general meeting should exercise their rights in accordance with the rules of good conduct.

Recommendations

IV.R.1. Companies should strive to hold an ordinary general meeting as soon as possible after the publication of an annual report and set the date in keeping with the applicable legislation.

The principle is applied.

IV.R.2. If justified by the structure of shareholders or expectations of shareholders notified to the company, and if the company is in a position to provide the technical infrastructure necessary for a general meeting to proceed efficiently using electronic communication means, the company should enable its shareholders to participate in a general meeting using such means, in particular through:

- 1) real-life broadcast of the general meeting;
- 2) real-time bilateral communication where shareholders may take the floor during a general meeting from

a location other than the general meeting;

3) exercise of the right to vote during a general meeting either in person or through a plenipotentiary.

The principle not applicable.

Comments of the Company: *The articles of association of the Company and the rules of the Company's General Meeting donot allow shareholders to participate in the general meeting using electronic communication, in particular through: 1) real-time broadcast of the general meeting; 2) real-time bilateral communication where shareholders may take the floor during a generalmeeting from a location other than the general meeting; 3) exercise of the right to vote during a general meeting either in person or through a plenipotentiary. Moreover, the Company believes the application of this recommendation is not reasonable due to the shareholding structure and the fact that so far no one has informed the Company of the need to hold general meetings usingelectronic communication. Notwithstanding the foregoing, the Management Board believes the application of this principle wouldentail numerous technological risks. In particular, this principle creates an actual risk of technological interruptions which prevent uninterrupted, bilateral communication with the shareholders being in places other than the meeting venue. The Company's Board thinks that the existing rules for participation in general meetings allow for the proper and efficient exercise of the rights arising from shares and adequately secure the interests of all the shareholders. At the same time the Management Board of Stalexport Autostrady S.A. informs that it does not exclude the possibility of changing its view on this matter in the future.*

IV.R.3. Where securities issued by a company are traded in different countries (or in different markets) and in different legal systems, the company should strive to ensure that corporate events related to the acquisition of rights by shareholders take place on the same dates in all the countries where such securities are traded.

The principle not applicable.

Comments of the Company: *Securities issued by the Company are traded only on the Warsaw Stock Exchange.*

Detailed principles

IV.Z.1. Companies should set the place and date of a general meeting so as to enable the participation of the highest possible number of shareholders.

The principle is applied.

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

The principle not applicable.

Comments of the Company: *The Articles of Association of the Company and the rules of the Company's General Meeting donot allow shareholders to participate in the general meeting using electronic communication, in particular through real-time broadcast of the general meeting. Moreover, the Company believes the application of this recommendation is not reasonable due to the shareholding structure and the fact that so far no one has informed the Company of the need to hold general meetings using electronic communication. Notwithstanding the foregoing, the Management Board believes the application of this principle would entail numerous technological risks. In particular, this principle creates an actual risk of technological interruptions which prevent uninterrupted, bilateral communication with the shareholders being in places other than the meeting venue. TheCompany's Board thinks that the existing rules for participation in general meetings allow for the proper and efficient exercise of the rights arising from shares and adequately secure the interests of all the shareholders. At the same time, the Management Board of Stalexport Autostrady S.A. informs that it does not exclude the possibility of changing its view on this matter in the future.*

IV.Z.3. Presence of representatives of the media should be allowed at general meetings.

The principle is applied.

IV.Z.4. If the management board becomes aware a general meeting being convened pursuant to Article 399 § 2 – 4 of the Commercial Companies Code, the management board should immediately take steps which it is required to take in order to organise and conduct the general meeting. The foregoing applies also where a general meeting is convened under authority granted by the registration court according to Article 400 § 3 of the Commercial Companies Code.

The principle is applied.

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.

The principle is applied.

IV.Z.6. Companies should strive to ensure that the cancellation of a general meeting, change of its date or break in its proceedings do not prevent or limit the exercising of the shareholders' rights to participate in the general meeting.

The principle is applied.

IV.Z.7. A break in the proceedings of the general meeting may only take place in special cases, defined at each time in the justification of the resolution announcing the break, drafted on the basis of reasons provided by the shareholder requesting the break.

The principle is applied.

IV.Z.8. A resolution of the general meeting announcing a break should clearly set the date and time when the proceedings recommence, and such date and time must not be a barrier for most shareholders, including minority shareholders, to participate in the continuation of the proceedings.

The principle is applied.

IV.Z.9. Companies should strive to ensure that draft resolutions of the general meeting contain a justification, if it helps shareholders to pass a resolution with adequate understanding. If a matter is put on the agenda of the general meeting at the request of a shareholder or shareholders, the management board or the chair of the general meeting should request presentation of the justification of the proposed resolution. In important matters and matters which may give rise to any doubt of shareholders, the company should provide a justification, unless it otherwise provides the shareholders with information necessary to pass a resolution with adequate understanding.

The principle is applied.

IV.Z.10. Any exercise of the rights of shareholders or the way in which they exercise their rights must not hinder the proper functioning of the governing bodies of the company.

The principle is applied.

IV.Z.11. Members of the management board and the supervisory board should participate in a general meeting as necessary to answer questions asked at the general meeting.

The principle is applied.

IV.Z.12. The management board should present to participants of an ordinary general meeting the financial results of the company and other relevant information contained in the financial statements to be approved by the general meeting.

The principle is applied.

IV.Z.13. If a shareholder request information about the company, the management board of the company should provide an answer to the shareholder's request within 30 days or inform the shareholder of its refusal to provide such information where the management board has made such decision pursuant to Article 428 § 2 or § 3 of the Commercial Companies Code.

The principle is applied.

IV.Z.14. Resolutions of the general meeting should allow for a sufficient period of time between decisions causing specific corporate events and the date of determination of the rights of shareholders pursuant to such events.

The principle is applied.

IV.Z.15. A resolution of the general meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting the price or authorise the competent governing body to set the price prior to the subscription right record date within the timeframe necessary for investors to make decisions.

The principle is applied.

IV.Z.16. The dividend record date and the dividend payment date should be set so as to ensure that the period between them is no longer than 15 business days. A longer period between these dates requires a justification.

The principle is applied.

IV.Z.17. A resolution of the general meeting concerning a conditional dividend payment may only contain such conditions whose potential fulfilment takes place before the dividend record date.

The principle is applied.

IV.Z.18. A resolution of the general meeting to split the nominal value of shares should not set the new nominal value of the shares below PLN 0.50, which could result in a very low unit market value of the shares, and which could consequently pose a threat to the correct and reliable valuation of the company listed on the Exchange.

The principle is applied.

V. CONFLICT OF INTEREST, RELATED PARTY TRANSACTIONS

For the purpose of this Section, 'related party' is defined under the International Accounting Standards approved in Regulation No (EU) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

Companies should have in place transparent procedures for preventing conflicts of interest and related party transactions where a conflict of interest may occur. The procedures should provide for ways to identify, disclose and manage such cases.

Recommendations

V.R.1. Members of the management board and the supervisory board should refrain from professional or other activities which might cause a conflict of interest or adversely affect their reputation as members of the governing bodies of the company, and where a conflict of interest arises, immediately disclose it.

The principle is applied.

Detailed principles

V.Z.1. No shareholder should have preference over other shareholders in transactions concluded by the company with shareholders or their related parties.

The principle is applied.

V.Z.2. Members of the management board or the supervisory board should notify the management board or the supervisory board, respectively, of any conflict of interest which has arisen or may arise, and should refrain from voting on a resolution on the issue which may give rise to such a conflict of interest in their case.

The principle is applied.

V.Z.3. Members of the management board or the supervisory board must not accept any benefits which might affect their impartiality and objectivism in making decisions or reflect unfavourably on the assessment of the independence of their opinions or judgements.

The principle is applied.

V.Z.4. Where a member of the management board or the supervisory board concludes that a decision of the management board or the supervisory board, respectively, is in conflict with the interest of the company, he or she may request that the minutes of the management board or the supervisory board meeting show his or her position.

The principle is applied.

V.Z.5. Before the company concludes a significant agreement with a shareholder who holds at least 5% of the total vote in the company or with a related party, the management board should request the supervisory board's approval of the transaction. Before giving its approval, the supervisory board should evaluate the impact of the transaction on the interest of the company. The foregoing does not apply to typical transactions and transactions at arm's-length made as part of the company's operations between the company and members of its group. If the decision concerning the company's significant agreement with a related party is made by the general meeting, the company should give all shareholders access to information necessary to assess the impact of the transaction on the interest of the company before the decision is made.

The principle is applied.

V.Z.6. In its internal regulations, the company should define the criteria and circumstances under which a conflict of interest may arise in the company, as well as the rules of conduct where a conflict of interest has arisen or may arise. The company's internal regulations should among others provide for ways to prevent, identify and resolve conflicts of interest, as well as rules of excluding members of the management board or the supervisory board from participation in reviewing matters subject to a conflict of interest which has arisen or may arise.

The principle is applied.

VI. REMUNERATION

A company should have a remuneration policy applicable at least to members of the company's governing bodies and key managers. The remuneration policy should in particular determine the form, structure, and method of determining the remuneration of members of the company's governing bodies and key managers.

Recommendations

VI.R.1. The remuneration of members of the company's governing bodies and key managers should follow the approved remuneration policy.

The principle is not applied.

Comments of the Company: *Due to the size and type of the Company's activities, the Company does not have an official remuneration policy. According to its articles of association and the rules of the Supervisory Board, remuneration of the members of the Supervisory Board is determined by the General Meeting and remuneration of the members of the Management Board is determined by the Supervisory Board. In addition, every year the Company publishes information on the remuneration of its governing bodies in compliance with the applicable law. Remuneration of key managers is determined on the basis of the Remuneration Rules drawn up in compliance with the Polish Labour Code. This makes the Company's remuneration rules transparent and failure to follow the foregoing principle does not entail any risks or adverse effects.*

VI.R.2. The remuneration policy should be closely tied to the company's strategy, its short- and long-term goals, long-term interests and results, taking into account solutions necessary to avoid discrimination on whatever grounds.

The principle is not applied.

Comments of the Company: As specified in the note to recommendation VI.R.1, the Company does not have a remuneration policy. However, the said remuneration rules adopted by the Company meet the requirements referred to in recommendation VI.R.2.

VI.R.3. If the supervisory board has a remuneration committee, principle II.Z.7 applies to its operations.

The principle is not applied.

Comments of the Company: In our remuneration committee consisting of four people, two members are independent and, pursuant to Appendix I to Commission Recommendation 2005/162/EC of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, at least a majority of the remuneration committee should be independent.

VI.R.4. The remuneration levels of members of the management board and the supervisory board and key managers should be sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the company. Remuneration should be adequate to the scope of tasks delegated to individuals, taking into account additional functions, for instance on supervisory board committees.

The principle is applied.

Detailed principles

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 is not applied.

Comments of the Company: The Company has relevant (long-term) incentive schemes for the members of the Management Board. However, the Company does not have a similar incentive scheme for the key managers who are not members of the Management Board.

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.

Comments of the Company: The incentive schemes for the members of the Management Board and the key managers adopted by the Company do not provide for the allocation of options or other instruments linked to the Company's shares.

VI.Z.3. The remuneration of members of the supervisory board should not be linked to options or other derivatives or any other variable components, and neither should it be linked to the company's results.

The principle is applied.

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;

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- 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.

The principle is applied.

Financial highlights of Stalexport Autostrady

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Financial figures from the Separate Financial Statements of Stalexport Autostrady for the period of 12 months ended 31 December 2015

	in PLN '000		in EUR '000	
	2015	2014	2015	2014
Revenue	3,752	3,792	897	905
Results from operating activities	(3,781)	(3,577)	(904)	(854)
Profit /(Loss) before income tax	5,073	5,678	1,212	1,355
Profit for the period	5,114	6,180	1,222	1,475
Weighted average number of shares at the end of period (in thousands)	247,262	247,262	247,262	247,262
Profit/(Loss) per 1 share (in PLN/EUR)	0.02	0.02	0.00	0.01
Diluted profit/(loss) per 1 share (in PLN/EUR)	0.02	0.02	0.00	0.01
Net cash from operating activities	(118)	(9,970)	(28)	(2,380)
Net cash used in investing activities	6,488	9,157	1,550	2,186
Net cash used in financing activities	-	-	-	-
Total net cash flows	6,370	(813)	1,522	(194)
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Total assets	211,090	204,705	49,534	48,027
Non-current assets	76,516	76,980	17,955	18,061
Current assets	134,574	127,725	31,579	29,966
Total liabilities	4,254	2,987	998	701
Non-current liabilities	69	2,082	16	488
Current liabilities	4,185	905	982	212
Total equity	206,836	201,718	48,536	47,326
Share capital	185,447	185,447	43,517	43,509

Source: Company's documents

Selected financial data is converted into EUR according to the following rules:

- a) items of the separate financial statements concerning comprehensive income and the cash flow statement for 2015 and for 2014 based on the exchange rate being an arithmetic mean of average exchange rates announced by NBP, applicable on the last day of each month during the period, i.e. 4.1848 PLN/EUR and 4.1893 PLN/EUR respectively;
- b) items of assets and liabilities based on the average exchange rate published by NBP, applicable as at the reporting date, i.e. 4.2615 PLN/EUR as at 31 December 2015 and 4.2623 PLN/EUR as at 31 December 2014.