

# ORBIS

Warszawa , 2003-07-03

United States Securities  
and Exchange Commission  
Washington D.C. 20549  
USA



03 OCT -2 AM 7:21

Ref.: 82-5025

SUPPL

Dear Sirs,

Please find enclosed the text of the Current report no 17/2003.  
Best regards

Andrzej Szuldrzyński

Vice-President

A handwritten signature in black ink, appearing to read 'Andrzej Szuldrzyński'.

PROCESSED

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THOMSON  
FINANCIAL

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nt report no 17/2003

Management Bard of Orbis S.A. hereby fulfills the reporting obligation imposed by the Warsaw Stock Exchange by resolutions of Warsaw Stock Exchange Council no 47/941/02 dated September 4, 2002 and no 68/962/2002 dated November 20, 2002, and statement concerning compliance with the principles of corporate governance by the Company. The content of the statement approved by Orbis S.A. Supervisory Board in a resolution no 57/M/2003 dated May 28, 2003 and by the General Assembly of S.A. Shareholders in a resolution no 15 dated June 26, 2003. At the same time, the Management Board of Orbis S.A. informs respect to principle no 46 that in relation to the preparation of the new Internet site of the company, all the documents and the information mentioned in the commentary relating to the said principle will be available after the launch of the said new WWW site.

PRINCIPLE	YES/NO	ORBIS S.A. COMMENTS
<b>GENERAL PRINCIPLES</b>		
<p><b><u>Objective of the Company</u></b>                      basic objective of operations of a company's authorities is further the interest of the company, i.e. to increase the value of assets entrusted by its shareholders, with consideration to rights and interests of entities other than shareholders, involved in the functioning of the company, including, in particular, the company's creditors and employees.</p>	YES	
<p><b><u>Priority Rule and Protection of Minority</u></b>                      joint-stock company is a capital venture, and, therefore, it respects the principle of capital majority rule, and the majority of majority over minority. A shareholder who contributed bigger capital also bears a higher economic risk. It is therefore, justified that his interest be taken into consideration in proportion to the contributed capital. The</p>	YES	<p><i>The Orbis S.A. Supervisory Board is composed of ten members: seven representatives of shareholders elected by the General Assembly of Shareholders, including two persons elected by voting groups, and three employees of the company elected on the basis of the Act of August 30, 1996, on Commercialization and Privatization as well as by virtue of the Company's Statutes adopted in consequence of the</i></p>

<p>minority must have a guarantee of proper protection of their rights, within limits set by the law and commercial integrity. While exercising its rights, the majority shareholder should take into account the interests of the minority.</p>		<p>said Act. No majority shareholder can be distinguished in the Company's shareholding structure. Orbis S.A. also adheres to the principle of proportionality of profits and losses. The dividend was paid to the shareholders for the year 2001 and it is planned to pay the dividend for the year 2002.</p>
<p><b><u>Best Intentions and No-Abuse of Rights</u></b>  exercise of rights and the reliance on legal institutions should be based on honest intentions (good faith) and cannot go beyond the purpose and economic reasons for which the institutions have been established. No activities should be undertaken which exceed the limits so set and, thus, constitute an abuse of the law. The minority should be protected against abuse of ownership rights by the majority and the interests of the majority should be protected against abuse by the minority. It is the duty of the majority, thus, ensuring the best protection of equitable interests of the shareholders and other market participants.</p>	<p>YES</p>	<p>In practice, the functioning of the Company's governing bodies is based on the principle of respecting the legal institutions and justified interest of individual shareholders of the Company. The Company's governing bodies declared their intent to adhere to this principle.</p>
<p><b><u>Court Control</u></b>  The company's authorities and persons chairing a general meeting cannot decide on issues which should be resolved by the court. This does not apply to activities which are within the powers of the company's authorities and persons chairing general meetings or which they are obliged to undertake by force of law.</p>	<p>YES</p>	<p>The Company's governing bodies and persons chairing the General Assembly of Shareholders shall act within the limits of their powers defined by the law and shall refrain from actions which should be performed by court authorities. In addition, compliance with this principle has been reinforced by a relevant clause in the Bye-Laws of the General Assembly of Shareholders.</p>
<p><b><u>Independent Opinions Ordered by the Company</u></b>  When choosing an entity which is to provide expert services, including, in particular, the services of an expert auditor, financial and tax advisory services, as well as legal services, the company should consider whether there exist circumstances justifying the independence of this entity when performing the entrusted tasks.</p>	<p>YES</p>	

## BEST PRACTICES OF THE GENERAL ASSEMBLY OF SHAREHOLDERS

<p>General meeting should take place in a location and at a time that allows for the maximum participation of as many shareholders as possible.</p>	<p>YES</p>	
<p>Request for convening a general meeting and placing certain items on its agenda, made by parties entitled to do that, should be justified. Draft resolutions proposed to be adopted by the general meeting and other key documents should be presented to the shareholders along with a justification and an opinion of the supervisory board prior to the general meeting, in advance of the meeting, to allow them to review and evaluate the same.</p>	<p>YES</p>	
<p>General meeting convened at the request of shareholders should be held on a date given in the request, and if this date cannot be kept, on the closest date which will allow the general meeting to settle the issues placed on its agenda.</p>	<p>YES</p>	
<p>General meeting whose agenda includes certain issues at the request of authorized entities or which has been convened at the request of shareholders may be cancelled only upon consent of the requesting parties. In all other instances, a general meeting may be cancelled if its holding is hindered (force majeure) or is otherwise impracticable. The meeting is called off in the same manner as it has been convened, ensuring as little negative consequences for the company and its shareholders as possible, in any case no later than three weeks prior to the original date of the meeting. A change in the date of the general meeting is made in the same manner as the cancellation, even if the proposed agenda does not change.</p>	<p>YES</p>	
<p>Shareholder for a representative of a shareholder to participate in a general meeting, his right to act on behalf of the shareholder</p>		

<p>ould be duly documented. It should be presumed that a written document confirming the right to represent a shareholder at a general meeting is in conformity with the law and does not require any additional confirmations and knowledge unless its authenticity or validity <i>prima facie</i> raises doubts of the company's management board (upon drawing-up the attendance list) or the chairman of the general meeting.</p>	<p>YES</p>	
<p>ne general meeting should have regular by-laws setting forth the detailed principles of conducting the meetings and adopting resolutions. The by-laws should contain, in particular, provisions concerning elections, including elections to the supervisory board by voting in separate groups. The by-laws could not be subject to frequent changes; it is advisable that the changes enter into force as of the subsequent general meeting.</p>	<p>YES</p>	
<p>person opening the general meeting should procure an immediate election of the chairman of the meeting, and should refrain from any substantial or formal decisions.</p>	<p>YES</p>	
<p>ne chairman of the general meeting ensures an efficient conduct of the meeting and observance of the rights and interests of all shareholders. The chairman should counteract, in particular, the abuse of rights by the participants of the meeting and should guarantee that the rights of minority shareholders are respected. The chairman should not, without sound reason, resign from his function, or put off the signing of the minutes of the meeting.</p>	<p>YES</p>	
<p>general meeting should be attended by members of the supervisory board and the management board. An expert auditor should be present at an annual general meeting and at extraordinary general meeting if financial matters of the company are to be discussed thereat.</p>	<p>YES</p>	<p><i>According to the Rules of the Supervisory Board and the Rules of the Management Board, members of the Supervisory Board and the Management Board of the Company participate in the General Assemblies of Shareholders.</i> <i>In case of the Supervisory Board, its representatives, appointed from amongst its members, with due regard to the</i></p>

<p><i>nature of the issues discussed at the Assembly shall be present at the General Assembly of Shareholders</i></p> <p><i>According to the Rules of the Management Board the President of the Management Board and members of the Management Board relevant from a point of view of division of powers and the scope of matters to be discussed at the General Assembly shall be present each time at the General Assembly of the Company's Shareholders.</i></p> <p><i>A clause imposing upon the licensed auditor the obligation to be present during General Assemblies of Shareholders, if financial matters of the company are to be discussed thereat, will be incorporated each time into the agreement with the entity providing the services of a licensed auditor.</i></p>		
	<p>YES</p>	<p>members of the supervisory board and the management board and the expert auditor of the company should, within their powers and to the extent necessary for the settlement of issues discussed by the general meeting, provide the participants of the meeting with explanations and information concerning the company.</p>
	<p>YES</p>	<p>Answers provided by the management board to the questions posed by the general meeting should take into account the fact that the reporting obligations are performed by a public company in a manner which follows from the Law on Public Trading in Securities, and certain information cannot be provided otherwise.</p>
	<p>YES</p>	<p>Port breaks in the session which do not defer the session, ordered by the chairman in justified cases, cannot be aimed at rendering the exercise of the rights by the shareholders.</p>
<p>Provisions of the Code of Commercial Partnerships and Companies do not contain a precise definition of the notion of „procedural matters” and article 404 allows for the adoption of resolutions on procedural matters even if they were not included</p>	<p>NO</p>	<p>oting on issues placed on the agenda may be carried out only on issues related to the conduct of the meeting. This voting procedure cannot apply to resolutions which may have impact on the exercise by the shareholders of their rights.</p>

		<p>on the agenda. However, the contents of Principle 13 restrict the catalogue of motions on procedural matters that may be submitted in the course of debates of the General Assembly.</p> <p><i>In the Company's opinion, in practice the emergence of a procedural (formal) matter that may go beyond the substantive scope of Principle no 13, cannot be excluded. This is one of the reasons why the enumeration of procedural (formal) matters in the Rules of the Debates of the General Assembly is of exemplary nature.</i></p>
<p>resolution not to consider an issue placed on the agenda may be adopted only if it is supported by sound reasons. A motion in this respect should be accompanied by a detailed justification. The general meeting cannot adopt resolutions to remove an item from the agenda or not to consider an issue placed on the agenda at the request of the shareholders.</p>	<p>NO</p>	<p><i>The clauses of the Bye-Laws of the General Assembly of Shareholders provide that all the matters placed on the agenda should be discussed at the General Assembly.</i></p> <p><i>A resolution of the General Assembly of Shareholders not to consider an issue placed on the agenda may be adopted only if it is supported by sound and valid reasons. A motion in this respect should be accompanied by a detailed justification.</i></p> <p><i>In the Company's opinion the unconditioned prohibition of removing an item from the agenda placed at the request of the shareholders goes too far. There may happen the circumstances, when a motion of a shareholder to place a particular matter on the General Assembly agenda is not justified or the shareholder ceased supporting it and in this case it is in the interest of the shareholders and the Company not to consider such a motion. With respect to the above the Company cannot declare to follow in practice this part of the Rule no 14.</i></p>
<p>party objecting to a resolution must have an opportunity to precisely present the reasons for its objection.</p>	<p>YES</p>	
<p>to the fact that the Code of Commercial Companies does</p>		<p><i>The text of resolutions adopted by the General Assembly is</i></p>

provide for court control in the event where a resolution is adopted by the general meeting, the management board or chairman of the meeting should form the resolutions in a way that each person who does not agree with a decision on the subject of the resolution, have the possibility of challenging the same; provided that he is entitled to do so.

NO

*decided by the Company's shareholders who have the right to submit amendments or present their own draft resolutions. In practice, it is difficult to formulate each resolution to be adopted in a manner compliant with the contents of the said rule. There exist a wide category of issues where the result in the form of a lack of a resolution in case the required majority of votes is not achieved is natural. This can be exemplified by a resolution concerning the dismissal of a member of the Supervisory Board. As a consequence, in certain cases observance of that principle may lead to a situation where a draft of a resolution distorts the substance of a solution subjected to the General Assembly's decision, exclusively in order to enable the shareholders voting against to challenge the resolution.*

*In the Company's opinion, the provisions of the Polish Code of Commercial Partnerships and Companies concerning the challenging of resolutions of the General Assembly are complete and properly protect the interests of shareholders who disagree with the essence of the solution being the subject matter of the resolution.*

*It should be borne in mind that, in accordance with the provisions of the Polish Code of Commercial Partnerships and Companies, challenging of a decision may result in its annulment or invalidation. And therefore, the purposefulness of challenging resolutions that do not contain significant contents, formulated predominantly to enable the challenging of these resolutions is doubtful. The above presented reasons substantiate the non-application by the Company of Principle No 16.*



the request of a participant in the general meeting, the written statement is recorded in the minutes.

YES

## BEST PRACTICES OF THE SUPERVISORY BOARDS

The supervisory board submits to the general meeting an annual concise evaluation of the company's standing. The evaluation should be part of the annual report of the company, made available to all shareholders early enough to allow them to become acquainted with the same before the annual general meeting.

YES

The Company's Supervisory Board acting in accordance with its Rules shall evaluate the situation of the Company after the end of each financial year, in particular, it shall evaluate the financial standing of the Company and its development perspectives. This evaluation is presented to the Annual (Ordinary) General Assembly of Shareholders. The Management Board of the Company shall include the contents of the Supervisory Board resolution containing the above-mentioned evaluation in the report announced to the public at least 8(eight) days prior to the date of the General Assembly. Due to the fact that according to the practice adopted in the Company the audit of the financial statements is conducted during the first quarter of the financial year, the above mentioned evaluation is not incorporated into the contents of the annual report.

member of the supervisory board should have relevant education, professional and practical experience, be of high morale and be able to devote all time required to properly perform the function on the supervisory board. Candidates for members of the supervisory board should be presented and supported by reasons in sufficient detail to allow an educated choice.

NO

Candidates for members of the Supervisory Board are put forward and their applicability justified in detail in a manner ensuring a premeditated election at the time of a General Assembly of Shareholders.  
It should, however, be borne in mind that in Principle no 19 imprecise and inaccurately formulated notions were applied, which allows for quite a wide and free interpretation. The application of that principle in practice and its implementation in the Company's internal regulations is, for the above presented reasons, to a large extent rendered difficult.  
In case of Supervisory Board members elected from amongst employees, their election is conducted by way of direct, secret and uniform vote. The result of the vote is binding upon the General

<p>At least one-half of members of the supervisory board should be independent members. Independent members of supervisory board should not have any relations with company and its shareholders or employees, which relations could have significant impact on the ability of independent member to make impartial decisions. (b) Detailed criteria of independence should be laid down in statutes of the company. (c) Without consent of at least one independent member of the supervisory board, resolutions should be adopted on the following issues: performances of any kind by the company and any activities associated with the company in favor of members of the management board; - consent to the execution by company or its subsidiary of a key agreement with an entity associated with the company, member of the supervisory board or the management board, and with their associated entities; and - appointment of an expert auditor to audit the financial statements of the company. <i>The above rule may be implemented by the company on a date different than that for the remaining rules of the set, but no later than by the end of 2004.</i></p>	<p>NO</p>	<p>Assembly.</p> <p><i>In accordance with the Statutes of Orbis SA, the Supervisory Board consists of 10 members. The Statutes of the Company provides for the employees' right (under the Act on Commercialization and Privatization of State-Owned Enterprises) to appoint three Supervisory Board members. This right is exercised in a separate voting, the results of such voting being binding on the General Shareholders Meeting. The remaining posts at the Supervisory Board are filled in the manner stipulated in the Statutes of the Company and the Commercial Company Code. At present, besides persons representing Orbis SA employees, the Supervisory Board also consists of two persons elected by shareholders by group voting. The Statutes of Orbis SA do not stipulate the independence criteria for Supervisory Board members.</i></p> <p><i>In the present situation, compliance by Orbis SA with Rule No. 20 would result in an impairment of the general rule of proportional protection of interests of each of Orbis SA's shareholders.</i></p>
<p>supervisory board member should, most of all, bear in mind the interests of the company.</p>	<p>YES</p>	
<p>members of the supervisory board should take relevant actions in order to receive from the management board regular and complete information on any and all significant issues concerning the company's operations and on the risk related to the carried out business and ways of managing such risk.</p>	<p>YES</p>	
<p>supervisory board member should inform the remaining members of the board of any conflict of interest that arises, and should refrain from participating</p>		<p><i>The text of Principle 23 does not define the notion of „conflict of interests”. It is, therefore, understood by the Company as a wide notion, pertaining to various facets and relations, from which such a</i></p>

<p>discussions and from voting on passing a resolution on an issue in which the conflict of interest has arisen.</p>	<p>NO</p>	<p><i>conflict may result. The Company is of the opinion that in the case where one of the shareholders is a so-called sectoral investor and there are members of the Supervisory Board who are related to that shareholder, the conflict of interests of a corporate nature arising out of that type of relations is of an immanent character. The same applies in the case of Orbis S.A. The existence of that type of conflicts of interest cannot, however, lead to the non participation of persons related to the investor in the works of the Supervisory Board. The Principle No 23 is adhered to in the Company in respect of conflict of interests of a personal character. The Principle No 23 cannot, however, be fully adhered to by the Company for the reasons stated above.</i></p>
<p>information on personal, actual, and organizational connections of a supervisory board member with a shareholder, and, in particular, with the majority shareholder, should be available to public. The company should have a procedure in place for obtaining information from members of the supervisory board for making it available to the public.</p>	<p>NO</p>	<p><i>After electing a given person as a member of the Orbis S.A. Supervisory Board, the Company conveys the information, in the form of a current stock exchange report, within the scope required by regulations governing the public trading in securities. Conveying information, as recommended in Principle 24 is not – in the opinion of the Company Management Board – possible due to a too general and imprecise expressions concerning the relation between the member of the Supervisory Board and a shareholder.</i></p>
<p>supervisory board meetings, save for issues which directly concern the management board or its members, and, in particular, removal, liability, and ongoing remuneration, should be accessible and open to members of the management board.</p>	<p>YES</p>	
<p>supervisory board member should enable the management board to present publicly and in appropriate manner information on the transfer or disposition of the shares of the company or of its parent company or a subsidiary, and of transactions such companies, provided that such information is relevant for his financial standing.</p>	<p>NO</p>	<p><i>Provisions of the Regulation of Council of Ministers on information obligations of Companies precisely specify information obligations in respect of transactions concluded by, among others, members of the Supervisory Board. However, in the contents of Principle 26, an imprecise and inaccurately defined expression was applied (the relevance of the transaction for the financial standing of a member of the Supervisory Board), which allows for wide and free interpretation. The application of this principle in practice and its</i></p>

<p>muneration of members of the supervisory board would be fair, but should not constitute a significant item in the company's business or have material impact on its financial results. The remuneration would be in reasonable relation to the remuneration of members of the management board. The aggregate remuneration of all members of the supervisory board would be disclosed in the annual report.</p>		<p><i>implementation in Company's internal regulation is, for the above reasons, to a large extent rendered difficult.</i></p>
<p>the supervisory board should operate in accordance with its by-laws which should be available to the public.</p>	<p>NO</p>	<p><i>In accordance with the Company's internal regulations, the remuneration of members of the Supervisory Board is determined by shareholders by way of voting at the General Assembly. In the Management Board's opinion, in Principle 27 imprecisely and inaccurately defined expressions were applied which allows for quite a wide and free interpretation. Therefore, the application of this principle in practice and its implementation in the Company's internal regulations is to a large extent rendered difficult. The aggregate remuneration of all members of the Supervisory Board is disclosed in the annual report.</i></p>
<p>the agenda of a supervisory board meeting should not be amended or supplemented during the meeting which concerns. This requirement does not apply if all members of the supervisory board are present and agree to the amendment or supplementation of the agenda, and in instances where the adoption of certain activities by the supervisory board is necessary in order to protect the company against damage and in the case of a resolution which concerns the determination of whether there exists a conflict of interest between a supervisory board member and the company.</p>	<p>YES</p>	<p><i>Rules concerning the establishment of the agenda of the meeting of the Supervisory Board shall be defined in the Supervisory Board Rules, in accordance with which the invitation to the meeting along with the agenda is sent at least 7 days in advance, unless all the members of the Supervisory Board agree to shorten that period. This rule may be deviated from if all members of the Supervisory Board are present at the meeting and grant their consent for the adoption of important resolutions. In the Management Board's opinion, the term "changes" in the agenda may also be interpreted as lack of opportunity to give op the consideration of a particular item on the agenda which, in certain cases, could hamper the functioning of the Supervisory Board.</i></p> <p><i>On the other hand, a very general statement concerning the necessity to take actions to protect the Company against damage, allows for a far too free interpretation of such a situation and may in practice lead to disputes connected with the proper understanding of</i></p>
<p>the agenda of a supervisory board meeting should not be amended or supplemented during the meeting which concerns. This requirement does not apply if all members of the supervisory board are present and agree to the amendment or supplementation of the agenda, and in instances where the adoption of certain activities by the supervisory board is necessary in order to protect the company against damage and in the case of a resolution which concerns the determination of whether there exists a conflict of interest between a supervisory board member and the company.</p>	<p>NO</p>	<p><i>Rules concerning the establishment of the agenda of the meeting of the Supervisory Board shall be defined in the Supervisory Board Rules, in accordance with which the invitation to the meeting along with the agenda is sent at least 7 days in advance, unless all the members of the Supervisory Board agree to shorten that period. This rule may be deviated from if all members of the Supervisory Board are present at the meeting and grant their consent for the adoption of important resolutions. In the Management Board's opinion, the term "changes" in the agenda may also be interpreted as lack of opportunity to give op the consideration of a particular item on the agenda which, in certain cases, could hamper the functioning of the Supervisory Board.</i></p> <p><i>On the other hand, a very general statement concerning the necessity to take actions to protect the Company against damage, allows for a far too free interpretation of such a situation and may in practice lead to disputes connected with the proper understanding of</i></p>

<p>supervisory board member delegated by a group of shareholders to permanently exercise supervision could submit to the supervisory board detailed reports on the performance of his task.</p>	<p>NO</p>	<p><i>contents of Principle no 29.</i></p>
<p>supervisory board member should not resign from his position during a term of office if this could render the functioning of the board impossible, and, in particular, if it would hinder the timely adoption of an important solution.</p>	<p>YES</p>	<p>Supervisory tasks performed by a member of the Supervisory Board, referred to in Principle 30, cannot replace the supervisory duties vested in the Supervisory Board. Provisions of the Code of Commercial Partnerships and Companies empower particularly a member of the Supervisory Board delegated to exercise permanent supervision to participate in the meetings of the Management Board in the advisory capacity. The Code does not contain any provisions concerning the obligation to report on the performance of tasks by members of the Supervisory Board. The regulation, as proposed in Principle no 30, may in practice lead to the assessment – by the Supervisory Board – of the supervision exercised by a delegated member. It seems that in accordance with the provisions of the Code of Commercial Partnerships and Companies, such an assessment may be made exclusively by shareholders who have designated that member of the Supervisory Board to exercise individual supervision. There is no precise definition of how the term “precise nature of reports” should be understood. Consequently, the application of that principle may lead to doubts as to the scope of responsibilities of a delegated person and the manner of exercising the supervision.</p>

## BEST PRACTICES OF THE MANAGEMENT BOARDS

<p>bearing in mind the interest of the company, the management board sets forth the strategy and the main</p>	<p>YES</p>
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<p>acts of the company's operations, and submits them to the supervisory board. The management board is responsible for the implementation and performance of the company's strategy. The management board cares for transparency and effectiveness of the company management system and the conduct of its business in accordance with the applicable regulations and best practice.</p>		
<p>When making decisions on corporate issues, members of the management board should act within the limits of the company's interest. While determining the interest of the company, one should keep in mind the justified interests of the shareholders, employees of the company and other entities cooperating with the company, as well as interests of local community.</p>	<p>YES</p>	
<p>Transactions with shareholders and other persons whose interests have impact on the interest of the company, the management board should act with most care to ensure that the transactions are at arms' length.</p>	<p>YES</p>	
<p>The management board member should display full loyalty towards the company and avoid actions which could lead to implementing exclusively own material interest. If a management board member receives information on the possibility of making an investment in another advantageous transaction concerning the company, he should present such information immediately to the management board for the purpose of considering the possibility of the company taking advantage of it. Such information may</p>	<p>YES</p>	<p><i>Members of the Management Board display full loyalty towards the company and avoid actions which could lead to implementing exclusively their own material interest, as confirmed in a declaration of the Management Board members thereon.</i></p>

<p>used by a management board member or be passed over to a third party only upon consent of the management board and only when this does not infringe the company's interest.</p>		
<p>management board member should treat his shares in the company and in its dominant companies and subsidiaries as a long-term investment.</p>	<p>YES</p>	<p><i>The preset members of the Company's Management Board declared their intention to comply with this principle. Abandonment of this principle may take place only under special circumstances, justified by a personal situation of a given Management Board member.</i></p>
<p>management board members should inform the supervisory board of each conflict of interest in connection with the performed function or of the risk of such conflict.</p>	<p>YES</p>	<p><i>According to the Rules of the Management Board, Management Board members are obligated to inform the Supervisory Board through the President of the Management Board of each and any conflict of interest in connection with the performed function or of the risk of such conflict.</i></p>
<p>the remuneration of management board members should be set based on transparent procedures and principles, taking into account its incentive nature and ensuring effective and smooth management of the company. The remuneration should correspond to the needs of the company's business enterprise, should be in a reasonable relation to the economic results, and be related to the scope of liability resulting from a given function, taking into account the level of remuneration of members of management boards in similar companies in a similar market.</p>	<p>YES</p>	<p><i>Members of the Management Board shall collect their remuneration according to the terms and in the amount determined by the Supervisory Board.</i></p>
<p>the aggregate remuneration of all members of the management board should be disclosed and itemized in the annual report. If the amount of remuneration of individual members of the management board significantly differs, it is recommended that a relevant explanation be published.</p>	<p>YES</p>	
<p>the management board should lay down the principles and procedure of operations and allocation of powers in</p>	<p>YES</p>	

by-laws which should be open and generally available.

## PRACTICES IN RELATIONS WITH THIRD PARTIES AND EXTERNAL INSTITUTIONS

<p>selection of an expert auditor for a company should guarantee impartiality of performance of the entrusted persons.</p>	<p>YES</p>	<p>The Company applies a general procedure aimed at ensuring independence of external contractors performing certain services for the Company, including the services of a licensed auditor. The entity providing the services of a licensed auditor shall file a declaration that it complies with the statutory criteria of impartiality and independence prior to commenting the audit of the Company's financial statements and after the end of such audit. Moreover, the Company adheres to a principle whereby the entity providing the services of a licensed auditor may not provide the other services to the Company, unless a proper governing body of the Company grants its consent.</p>
<p>order to ensure proper impartiality of opinion, the company should change the expert auditor at least once every five years.</p>	<p>YES</p>	
<p>expert auditor should be selected by the supervisory board or general meeting of the company, upon giving recommendations from the supervisory board.</p>	<p>YES</p>	<p>According to the provisions of the Company's Statutes, the powers of the Supervisory Board include the selection of the entity to perform the services of a licensed auditor.</p>
<p>auditor auditing annual accounts of a company or its subsidiaries cannot act as a special purpose auditor for same company.</p>	<p>YES</p>	
<p>company should acquire its own shares in such a way no group of shareholders be privileged.</p>	<p>YES</p>	<p>So far the Company did not acquire its own shares. The Management Board of the Company declares that in case such transaction was to be effected, it shall undertake all efforts to ensure that no shareholder group is privileged.</p>
<p>statutes of the company, its basic internal regulations, information and documents related to general meetings, and the financial statements should</p>	<p>YES</p>	<p>The following documents are available at the WWW site <a href="http://www.orbis.pl">www.orbis.pl</a>: the Statutes, the Rules of the Management Board and the Supervisory Board, resolutions of the General Assembly of</p>



<p>made available in the registered office of the company and on its website.</p>		<p>Shareholders, information concerning the business profile of the Company and of the Orbis Group, the Company's governing bodies, shareholding structure, current reports and stock exchange reports.</p>
<p>Company should have proper media relations procedures and regulations and an information policy, ensuring coherent and reliable information about the company. The company should, in compliance with the legal regulations and taking into account its interests, make available to mass media representatives information on its current operation and business, including, and enable their presence at general meetings.</p>	<p>YES</p>	<p>The Company drafted the principles of its relations with the press &amp; media and principles of conducting the information policy. Applying these principles, the Management Board of the Company (and its press spokesperson) ensure that the representatives of the press &amp; media are supplied with reliable information concerning the current operations of the Company, its business standing, however, subject to a reservation that the reporting obligations of a public company are performed in a manner provided for in the provisions of the Law on Public Trading in Securities. According to the Bye-Laws of the General Assembly of Shareholders, representatives of the press &amp; media may participate in the sessions of the General Assembly of Shareholders. However, in the justified cases their presence during the entire session of the General Assembly of Shareholders or during its part may be excluded by the General Assembly of Shareholders.</p>
<p>its annual report, a company should make public its comment on the application of corporate governance standards. If the standards are not applied to any extent, company should also publicly explain this fact.</p>	<p>YES</p>	