



European Bank
for Reconstruction and Development

CORPORATE GOVERNANCE LEGISLATION ASSESSMENT PROJECT

2007 ASSESSMENT

based on legislation in force on 1 November 2007

POLAND

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Definitions

Definition	Official Title of Law/Regulation or the name of the institution (in English)
“AA”	Act on accounting, dated 29 September 1994 (Journal of Laws of 2002, No. 76, item 694).
“AB”	Act on bonds, dated 29 June 1995 (Journal of Laws of 2001, No. 120, item 1300).
“ACMS”	Act on capital market supervision, dated 29 July 2005 (Journal of Laws of 2005, No. 184, item 1537).
“ACP”	Act on Commercialisation and Privatisation, dated 30 August 1996 (Journal of Laws of 2002, No. 171, item 1397).
“AEC”	Act on European Company, dated 4 March 2005 (Journal of Laws of 2005, No. 62, item 551).
“AFMS”	Act on financial market supervision, dated 21 July 2006 (Journal of Laws of 2006, No. 157, item 1119).
“AIF”	Act on Investment funds, dated 27 Mai 2004 (Journal of Laws of 2004, No. 146, item 1546).
“AL”	Anti-Monopoly Law, dated 16 February 2007 (Journal of Laws of 2007, No. 50, item 331).
“AMO”	Anti-Monopoly Office.
“AMO Chairman”	Chairman of the Anti-Monopoly Office.
“ANCR”	Act on National Court Register, dated 20 August 1997 (Journal of Laws of 2007, No. 168, item 1186).
“APC”	Administrative Procedure Code, dated 14 July 1960 (Journal of Laws of 2000, No. 98, item 1071).
“APNA”	Act on Publishing Normative Acts and Other Legal Acts, dated 20 July 2000 (Journal of Laws of 2007, No. 68, item 449).
“APO”	Act on public offering, conditions governing the introduction of financial instruments to organised trading, and public companies, dated 29 July 2005 (Journal of Laws of 2005, No. 184, item 1539).
“ARP”	Act on Remuneration of Persons Managing Particular Legal Entities, dated 3 March 200 (Journal of Laws of 2000, No. 26, item 306).
“ASB”	Act on State Budget, dated 25 January 2007 (Journal of Laws of 2007 No. 15 item 90).
“ATFI”	Act on trading in financial instruments, dated 29 July 2005 (Journal of Laws of 2005, No.183, item. 1538).
“BL”	Banking Law, dated 29 August 1997 (Journal of Laws of 2002, No. 72, item 665).
“BSA”	Banking Supervisory Authority.
“CC”	Civil Code, dated 23 April 1964 (Journal of Laws of 1964, No. 16, item 93, as amended).
“CCC”	Commercial Companies’ Code, dated 15 September 2000 (Journal of Laws of 2000, No. 94, item 1037).
“CPC”	Civil Procedure Code, dated 17 November 1964 (Journal of Laws of 1964, No. 43, item 296).
“CPL”	Chairman of Council of Ministers’ Regulation on Principles of Legislation, dated 20 June 2002 (Journal of Laws of 2002, No. 100, item 908).

Definition	Official Title of Law/Regulation or the name of the institution (in English)
“GP 2008”	Good Practices for Polish Listed Companies, adopted by the WSE resolution on 4 July 2007.
“IAP”	International Accounting Principles.
“IFRS”	International Financial Reporting Standards.
“IL”	Insolvency Law, dated 28 February 2003 (Journal of Laws of 2003, No. 60, No. 535).
“LC”	Labour Code, dated 26 June 1974 (Journal of Laws of 1998, No. 21, item 94).
“LEO”	Law on entrepreneurs' obligations with regard to administration of waste, product fee and deposit fee dated 11 May 2001 (Journal of Laws of 2007, No. 90, item 607).
“LPP”	Law on the packaging and packaging waste dated 11 May 2001 (Journal of Laws of 2001, No. 63, item 638).
“LW”	Law on Waste, dated 27 April 2001 (Journal of Laws of 2007, no. 39, item 251).
“NDS”	National Depository for Securities S.A.
“PFSA”	Polish Financial Supervision Authority.
“PFSA Chairman”	Chairman of Polish Financial Supervision Authority.
“RIPIS”	Ministry of Finance regulation on current and periodic information to be published by issuers of securities, dated 19 October 2005 (Journal of Laws of 2005, No. 209, item 1744).
“SEC”	Securities and Exchange Commission.
“WL”	Water law dated 18 July 2001 (Journal of Laws of 2005, No. 239, item 2019).
“WSE”	Warsaw Stock Exchange S.A.
“WSE By-laws”	Warsaw Stock Exchange By-laws passed on by the resolution of the Warsaw Stock Exchange Council dated 4 January 2006 (as amended).
“WSE Statutes”	Warsaw Stock Exchange Statutes.

Overall Country Information

No.	Checklist	Brief description
1.	What is the level of dialogue (e.g. conferences, working groups) between the Government (including governmental bodies or other authorities such as Securities Commissions) and the private sector in respect to the need to improve corporate governance in your country?	<p>The Government is generally supportive about the need to improve corporate governance in Poland. However, due to the recent Parliamentary elections, this has not been a top priority. On the other hand, given that 2007 was a year of quick economic growth in Poland and rapid growth of the WSE, focus and attention on corporate scandals was generally scarce. In certain cases the Government (one particular example is the PFSA – see below) engages in wide dialogue with the investor/capital markets community.</p> <p>There are corporate governance codes for specific types of companies prepared by private sector.</p> <p>Private institutions (see below question 3) organise conferences and working seminars on corporate governance matters.</p> <p>The Institute of Directors issue the “Corporate Governance Review” quarterly.</p>
2.	Please describe any ongoing process(es) to improve the level of corporate governance in your country?	<p>The process of improving the level of corporate governance is based mainly on private initiatives. The corporate governance codes are prepared out of private initiative (also of the WSE) and voluntarily enacted by the market participants and the Government is generally eager to implement any EU initiatives in this field. However, at present, the PFSA is eagerly leading the process of drafting and introducing a "Best Practices for the Financial Sector" code, which is widely consulted with the investor/capital markets community.</p>
3.	Which bodies in the public and private sectors (both domestic and foreign) have initiated, supported and been active in promoting corporate governance reform? (For example, institutes of directors, centers/institutes of corporate governance, associations of shareholders, chambers of commerce, or IFIs).	<p>There are several private institutions and working groups that work on corporate governance reform. The most active are the following:</p> <ul style="list-style-type: none"> (i) Polish Corporate Governance Forum (please see www.pfcg.org.pl); (ii) Corporate Governance Forum of Institute of Directors (please see www.pid.org.pl); (iii) C-law.org Center (please see www.c-law.org); (iv) Polish Private Equity Association (please see www.ppea.org.pl); (v) The Gdańsk Institute for Market Economics (please see www.ibngr.edu.pl); (vi) Polish Association of Investment Professionals (please see www.paip.ae.wroc.pl). <p>From Government bodies, the PFSA is currently also active in this field (see above).</p>
4.	Does a voluntary national code of corporate governance good practice exist? <i>[If yes, please specify the date of enactment, the latest amendments and if it is available on the web and include the link.]</i>	<p>There is no unified national corporate governance code.</p> <p>Different codes exist for institutional investors and for listed companies.</p> <p>The Chamber of Managers of Funds and Assets and Trade Chamber of Pensions Associations established the CG Code for institutional investors in October 2006. It is in the stage of being implemented by relevant institutional investors.</p> <p>The Chamber of Brokerage Houses established the Code of Good Practise for Brokerage Houses</p>

No.	Checklist	Brief description
		<p>(please see www.idm.com.pl/download/rules_idm/Code_of_Good_Practice.doc).</p> <p>Due to its availability to all companies listed on the WSE, the most important and most widely used id the code for listed companies. Its' first version (GP 2002) was prepared by the Good Practices Committee of Corporate Governance Forum in 2002 and enacted by the WSE on 4 September 2002. The second version (GP 2005) came into force on 1 January 2005.</p> <p>On 4 July 2007 the WSE enacted GP 2008 that comes into force on 1 January 2008.</p> <p>The English versions of the GP codes may be obtained from:</p> <p>(i) www.tp-ir.pl/files_s/en/best2002.pdf – GP 2002 ;</p> <p>(ii) www.gpw.pl/zrodla/gpw/pdf/Best2005.pdf – GP 2005;</p> <p>(iii) www.gpw.pl/images/Best_Practices_2007.pdf – GP 2008.</p> <p>All versions in Polish are available at http://www.corp-gov.gpw.pl/lad.html .</p>
5.	<p>If the code exists:</p> <p>a.) was the voluntary code of corporate governance developed by the Government or the private sector?</p> <p>b.) to what extent is the code based on the OECD Principles?</p> <p>c.) is it endorsed by the stock exchange or securities commission?</p> <p>d.) must companies/listed companies disclose their degree of compliance with the code (“comply or explain”)?</p> <p>e.) are compliance statements published and easily accessible by investors? <i>[If yes, please describe. Include, if available, the website where the compliance statements can be found.]</i></p>	<p>All of the abovementioned codes were developed by the private sector. The WSE was particularly engaged in developing the corporate governance codes for listed companies (all GP codes).</p> <p>Corporate governance code of individual investors refers in its content to OECD rules I, II, III, V and VI.</p> <p>GP 2008 refers to OECD rules I, II, III, V and VI, however, concentrating mainly on rights and obligations concerning access to information in listed companies.</p> <p>GP 2008 became a part of the WSE rules by force of WSE Council resolution dated 4 July 2007. The previous versions of GP were part of the WSE rules as well.</p> <p>Yes. Under the current version of GP (2005), listed companies should fill a table on their compliance with GP, which is then published on the WSE webpage. Starting from 1 January 2008, the listed companies will prepare annual descriptive reports on their compliance with GP 2008, to be published on their webpage.</p> <p>The compliance statements are published on the WSE webpage (http://www.corp-gov.gpw.pl/oswiadczenia.html). Starting from 1 January 2008, the statements will be published on the webpage of the relevant company. It is not clear yet whether a parallel publication on WSE webpage will be required.</p>
6.	<p>To what extent has the Government announced plans for updating and strengthening of:</p> <p>a.) the legal and court system</p>	<p>Both the previous and current Governments have expressed their general (if not political) interest in strengthening the legal and court systems. Strengthening of the court system in particular has been on the Government’s agenda for the last few years, with some visible results. Due to recent Parliamentary elections, there are no particular announcements that would yet be confirmed by the new Government.</p>

No.	Checklist	Brief description
	b.) the corporate tax system	The Polish tax system is generally messy and complicated. Both, the previous Governments and the new Government have expressed general political intentions of simplifying it, however, as yet with no visible results. Recently, general plans for updating the VAT law have been announced.
	c.) the educational system for business and legal professions	Outside universities, educational systems for the business professions are mostly organized by those professions (e.g. accountants, real-estate agents, etc.). While on-going education for the legal profession has also been in the hands of the particular bars, the Government is now considering a reform of the way the legal profession will be regulated in the future. Detailed plans have not yet been announced. The Government has enacted legislation and opened centres for education of court judges.
	d.) the application of international accounting and auditing standards?	The process of implementation of IFRS is in progress. At the moment, IFRS are obligatory for consolidated financial reports by listed companies and by banks. As for separate reports, IFRS may be applied by: listed companies, by banks and by subsidiary companies (if their dominant company is obliged to prepare consolidated financial report in accordance with IFRS due to EU law).
7.	Which are the main laws and regulations addressing corporate governance in your country? [Please list titles and dates when they came into force.]	The main laws and regulations concerning corporate governance are: (i) CCC; (ii) IL; (iii) LC; (iv) CC; (v) AL; (vi) APO; (vii) ATFI; (viii) AIF.
8.	Summarize recent significant legal developments affecting corporate governance. <i>[Please indicate whether reviews are planned (and if so, where they stand in the legislative process). If reforms are pending, please provide a schedule of the main proposals which are relevant to corporate governance.]</i>	On 4 July 2007 a new version of best practices for listed companies (GP 2008, see also above) was enacted by WSE. GP is an act of soft law (non-binding law), but its' execution is required by WSE with regard to all companies listed on WSE. Due to the Directive 2006/46/WE, there will be a requirement of informing in annual report whether a company acts in compliance with a corporate governance code and if so, which code is treated as binding. There is a relevant novel of AA planned, but at the moment no draft of such amendment is published.
9.	Please list the different corporate forms which are allowed under the law (e.g. partnerships, limited liability, joint stock, public limited) and briefly explain the main differences.	Under Polish law, there exist the following types of companies: (a) corporations (separate legal entities; the liability of their shareholders for company's debts is limited to the value of their contributions to the share capital). Within the

No.	Checklist	Brief description
		<p>corporations, there are:</p> <ul style="list-style-type: none"> (i) joint-stock company (based on German AG); minimum share capital is PLN 500,000 (approx. EUR 130,000), the only company that may become a listed company; (ii) limited liability company (based on German GmbH); minimum share capital is PLN 50,000 (approx. EUR 13,000); (iii) European company; <p>(b) partnerships (do not constitute separate legal entities but may make commitments, buy and sell property, sue and be sued; the partners' liability for partnership's debts is secondary, but not limited to the value of their contributions; as a rule, no share capital is required). Within the partnerships, there are:</p> <ul style="list-style-type: none"> (i) registered partnership – a model partnership; (ii) professional partnership – may be established and operated only by natural persons qualified in professions specified by the law; the default rule is that a partner is not subject to liability for company's debts assumed by another partner's actions (or by persons acting under another partner's supervision); (iii) limited partnership – two types of partners exist: general partners, whose liability is unlimited, and limited partners, whose liability is limited to the amount specified in the articles of association; (iv) limited joint-stock partnership – two types of partners exist: general partners (see above) and shareholders, whose rights and obligations are similar to those of joint-stock company; a minimum share capital of PLN 50,000 is required.

No.	Checklist	Brief description
10.	Are joint stock companies managed under a(n) <i>[please briefly explain]</i> :	
	a.) Compulsory one-tier system (no supervisory board)	No.
	b.) Compulsory two tier-system (management board and supervisory board)	The two-tier system is compulsory for all joint stock companies governed by CCC.
	c.) Option to choose one-tier/two-tier system	The European company (a European joint – stock company governed primarily by Resolution 2157/2001/WE dated 8 October 2001 on the statute for European company - OJ L 294 of 10.11.2001) may choose between one-tier/two-tier systems.

Principle I: Ensuring the basis for an effective corporate governance framework

The corporate governance framework should promote transparent and efficient markets, be consistent with the rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory and enforcement authorities.

I.A. Corporate governance framework should be developed with a view to its impact on overall economic performance, market integrity, and the incentives it creates for market participants and promotion of transparent and effective markets.

No.	Checklist	Yes	No	Reference to the relevant law
11.	a.) Does your country have a functioning stock exchange? [Please include the stock exchange website, if available.]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ATFI. WSE – www.gpw.pl .
	b.) Are there different listing segments on the stock exchange? [If yes, please describe, focusing on corporate governance.]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The listing segments are created on the basis of resolution of WSE Board regardless of corporate governance issues. Capitalisation of the companies is taken into account.
12.	Are corporate bonds common in your country?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	AB. The bonds are rather common.
13.	Are Depository Receipts (DRs) common in your country?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 3 No. 1 of the ATFI. The DR are rather common.
14.	Does the country have a legislative or regulatory body in charge of assessing the implementation, reviewing and developing corporate governance laws?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Corporate governance issues are in Poland regulated in the acts of law, and in particular in the CCC. In addition to the acts of law, listed companies are subject to GP 2008 which is an act of soft law (non-binding law), but its' execution is required by WSE. Art. 96 of the Polish Constitution – adopting new laws is a task of the Parliament. Art. 7 of the AFMS – PFSA is responsible for proposing new solutions and taking active part in implementation of new laws regarding financial markets (including corporate governance related). § 29 of the WSE By-laws – WSE also takes active part in the processes regarding corporate governance (GP 2008 as a result of its work).
15.	Are there effective, ongoing consultations between regulatory authorities, the public and corporations regarding the development of corporate governance laws? Is the	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Capital market participants take part in consultations regarding the development of corporate governance laws (e.g. public consultations regarding GP).

No.	Checklist	Yes	No	Reference to the relevant law
	decision-making process used in the development of those laws made publicly available?			
16.	How transparent is the legal reform process? Does it allow all affected parties to fully understand the new laws and regulations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Most of new legal projects are published by the relevant ministry and publicly available. The public hearing open to the interested parties are held and the opinions of lobbyists are published as well as the ministry's answers. Each project of a new statute is published together with its' justification and brief explanation.
17.	Can the securities market regulator intervene on behalf of shareholders in corporate disputes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 6 of the AFMS.
18.	Does commercial, corporate or securities arbitration exist? If yes, are arbitration decisions binding and final?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 1154 of the CPC, Art. 18 of the AFMS, § 29 of the WSE Statutes. The arbitration decisions are binding and final, subject to the requirement of their' approval by the common court in order to be enforceable. The reasons for court's refusal are limited to the list given in CPC.
19.	Are state-owned companies subject to exactly the same corporate governance rules as other privately owned companies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	State-owned companies are subject to Ministry of Treasury Order on Ownership Supervision Principles dated 19 October 2005; due to that there are differences, mostly with respect to requirements for members of management boards and supervisory boards.

I.B The legal and regulatory requirements that affect corporate governance practices in a jurisdiction should be consistent with the rule of law, transparent and enforceable.

No.	Checklist	Yes	No	Reference to the relevant law
20.	Are the legal and regulatory requirements on corporate governance:			
	a.) generally clear and well understood by economic participants?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	b.) sufficiently enforced in an efficient, consistent manner so as to constitute a transparent system?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This is an open question. The answer is generally yes, however, it should be noted that in particular: a) as regards enforcement, delays in court proceedings can be a problem; b) some legal provisions on corporate governance remain open to different interpretations, including case law; c) GP 2008 are "soft-law", therefore it is not enforceable in court per se.

No.	Checklist	Yes	No	Reference to the relevant law
21.	a.) Do special court/sections exist in the judiciary for corporate cases?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There are just commercial sections in courts dealing with all sorts of so called business matters.
	b.) Is there a significant percentage of corporate governance law that has never been tested in court?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No data publicly available. We believe that there is a significant percentage of corporate governance law in some areas that has been tested in court, some of which has been tested in arbitration proceedings. These regard rules related to labour law, environmental law and protection of minority shareholders.
	c.) Does a comprehensive case law collection exist so that interpretation of corporate governance legislation by courts is reasonably foreseeable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This is an open question. Either "yes" or "no" can be correct answers. We have decided to mark "yes" as the answer, subject to the following caveats: a) Polish corporate law had been non-existent for 50 years between 1939 and 1989 during the years of the II World War and communism. Following the introduction of the market economy in Poland, pre-war regulations were reinstated to some extent. Obviously, the above did not support the existence of a "comprehensive case-law collection"; b) the CCC has been in place as of 2001, to some extent it reinforced the previous regulations, on the other hand new regulations were introduced; c) as of 2004 Polish corporate law is following the <i>acquis communautaire</i> (to a large extent already introduced by the CCC in 2001), which again, means adjusting the law now and then; d) within the above limits, a body of case law exists within selected areas of corporate law. In other areas, corporate law is subject to differing interpretations by legal commentators and the judiciary.
22.	Do the laws usually specify sanctions and liabilities for breach of corporate governance laws and regulations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Provisions of the CCC and CC may apply, however it must be always considered on the case-by-case basis.
23.	If yes, are the responsibilities and sanctions for breach of the law with reference to the following subjects, clearly defined:			
	a.) management board	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 479, 483 of the CCC, Art. 415 of the CC.
	b.) supervisory board (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 483 § 1 of the CCC.
	c.) corporate registry	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	d.) corporate auditors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 482 of the CCC, Art. 415 of the CC.
e.) corporate evaluators/assessors (e.g., in case of contribution in kind)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 481 of the CCC, Art. 415 of the CC.	

I.C. The division of responsibilities among different authorities in a jurisdiction should be clearly articulated and ensure that public interest is served.

No.	Checklist	Yes	No	Reference to the relevant law
24.	Does the law designate a clear division of responsibilities between different authorities (e.g., banking regulator, securities market regulator, competition authority)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Supervision over securities market, banking system, insurances and pension funds has been recently consolidated and currently it is exercised by PFSA. Only the competition issues are supervised by AMO. Art. 1 of the AFMS – responsibilities of PFSA. Art. 31 of the AL – responsibilities of AMO Chairman.
25.	Is there an effective system of cooperation in place between regulators?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 23 of the AFMS – exchange of information between PFSA Chairman and AMO Chairman.
26.	Does the law address the issue of potential overlapping responsibilities or gaps in oversight between regulators?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
27.	Are the key laws perfectly harmonised without major inconsistencies, conflicts and discrepancies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.

I.D. Supervisory, regulatory, and enforcement authorities should have the authority, integrity and resources to fulfil their duties in a professional and objective manner. Moreover, their ruling should be timely, transparent, and fully explained.

No.	Checklist	Yes	No	Reference to the relevant law
28.	Is the market regulator in charge of corporate governance?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Corporate governance issues are in Poland regulated in the acts of law, and in particular in the CCC. In addition to the acts of law, listed companies are subject to GP2008 which is an act of soft law (non-binding law), but its' execution is required by WSE. Art. 96 of the Polish Constitution – adopting new laws is a task of the Parliament. Art. 7 of the AFMS – PFSA is responsible for proposing new solutions and taking active part in implementation of new laws regarding financial markets (including corporate governance related). § 29 of the WSE By-laws – WSE also takes active part in the processes regarding corporate governance (GP2008 as a result of its work).
29.	Does the law assure the operational independence of the regulator from external political, commercial, or other interest interference when exercising its respective functions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The PFSA is supervised by the Prime Minister (Art. 3 of the AFMS); the Prime Minister appoints and dismisses the deputy chairmen of the PFSA (on a motion of the chairman), (Art. 9 of the AFMS); four of the seven members

No.	Checklist	Yes	No	Reference to the relevant law
	and powers?			of the PFSA are: the Minister of Labour, the Minister of Finance, the President of the National Bank of Poland (or his deputy) and a representative of the President of Poland (Art. 5 of the AFMS).
30.	Is the regulator accountable to the Parliament or any other government body on an ongoing basis?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 3 Section 3 of the AFMS, Art. 4 Section 2 of the AFMS. The regulator reports yearly its' expenses to the Prime Minister, who controls it.
31.	Is the budget of the regulator published and expenses transparently described?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ASB. The planned budget of the regulator for each year is published as a part of State's budget in a form of legal statute.
	Does the law require that when developing new legislation, regulatory agencies should:			
32.	a.) understand in advance the effects, costs and consequences of such new legislation (e.g., by implementing a Regulatory Impact Analysis - RIA)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	§ 1 of the CPL. The justification of the project should include description of its' effect, costs and consequences. No standard form for analysis is required.
	b.) take into account the availability of resources for the implementation and enforcement of those laws?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	§ 1 of the CPL.
33.	a.) Are the rulings of regulatory agencies documented and publicly available?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 2 of the APNA.
	b.) If so, is that information easily accessible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 12 of the APNA.
34.	After regulatory agencies render their decisions, must they also provide explanations for those decisions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 107 of the APC.

Principle II: The rights of shareholders

The corporate governance framework should protect shareholders' rights

II.A. Basic shareholder rights include the right to: 1) secure methods of ownership registration; 2) convey or transfer shares; 3) obtain relevant information on the corporation on a timely and regular basis; 4) participate and vote in general shareholder meetings; 5) elect members of the board; and 6) share in the profits of the corporation.

No.	Checklist	Yes	No	Reference to the relevant law
35.	Does the law require maintenance of a central or company share register where the shareholding of investors is recorded?	<input checked="" type="checkbox"/> (only with respect to registered shares)	<input type="checkbox"/>	Art. 341 § 1 of the CCC.
36.	Does the law require that the relevant share register be maintained by an external and independent organisation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 341 § 1 of the CCC.
37.	Under the law, does registration of shareholding in the central or company share register constitute proof of ownership? <i>[If not, please explain what is the legal evidence of share ownership.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 343 of the CCC – the registration of shareholding in the share register is considered as a proof of ownership only with respect to internal relations between a shareholder and the company and only with respect to registered shares. With respect to relations between a shareholder and third persons, the document of share constitutes a proof of ownership. Art. 7 of the ATFI – with respect to listed companies, the owner of the securities account on which the shares are written is deemed as an owner of the shares.
38.	Under the law, can the parties (purchaser, seller or third parties) of shares require amendment of the register to record the change in shares' ownership? <i>[Please explain.]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 341 of the CCC.

No.	Checklist	Yes	No	Reference to the relevant law
39.	a.) Does the law require that all the shares be fully paid before they can be transferred?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 309 § 3, Art. 336 § 1, Art. 337 § 1 of the CCC. Shares which are covered by cash contribution must be paid in 25% before they can be transferred. Shares which are covered by an in-kind contribution cannot be transferred until they are fully paid.
	b.) Are shares of listed/public companies freely transferable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 337 § 1 of the CCC.
	c.) Can the free transferability of shares be restricted by specific provisions in company articles or by private contractual agreements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 337 § 2 of the CCC , Art. 338 of the CCC.
40.	a.) Is the law providing shareholders the right to obtain information about the company at no costs and without undue delay? <i>[If applicable, please state the time limit for providing information.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 428 § 1, § 3, § 4 of the CCC. The right to obtain information by the shareholders can be generally executed at the general shareholders' meeting. However, in justified cases (subject to the limitations following from Art. 428 §2 of the CCC), the management board may provide shareholder with information outside of the shareholders' meeting.
	b.) Does the law provide for sanctions in case such information is not provided by the company in due time?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
41.	Under the law, is the shareholders' meeting the only body authorised to:			
	a.) elect/appoint members of the board? <i>[Please distinguish in case a two-tier system is in place.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 368 § 4 of the CCC, Art. 385 § 1, § 2 of the CCC. Members of the management board are elected by the supervisory board, unless the statute provides otherwise. Members of the supervisory board are elected by the shareholder's meeting, unless the statute provides otherwise.
	b.) dismiss members of the board? <i>[Please distinguish in case there is a two-tier system in place.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 368 § 4 of the CCC, Art. 385 § 1, § 2 of the CCC. Members of the management board are dismissed by the supervisory board, unless the statute provides otherwise. However, the shareholders' meeting always has a right to dismiss a management board member. Members of the supervisory board are dismissed by the shareholder's meeting, unless the statute provides otherwise.
	c.) approve the company's audited annual report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 395 § 2 (1) of the CCC.
	d.) approve dividends?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 347 § 1 of the CCC.

No.	Checklist	Yes	No	Reference to the relevant law
	e.) decide on the time frame within which approved dividends are paid out?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 348 § 2, § 3 of the CCC.
42.	Are minority shareholders able to pool their votes for certain board candidates (for example, through cumulative voting)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 385 of the CCC.
43.	Does the law give the shareholders' meeting the exclusive power to [<i>Please specify if the power can be delegated to the board by the charter</i>]:			
	a.) appoint auditors;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 66 Section 4 of the AA – the shareholders' meeting is entitled to appoint auditor unless the shareholders' meeting delegates this right to the supervisory board. Art. 312 § 2 of the CCC – the register court appoints auditor to examine the report of the promoters of the company. Art. 442 § 2 of the CCC – in case of increase of share capital the supervisory board is entitled to appoint auditor.
	b.) approve the auditors' remuneration;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	On the basis of art. 368 § 1 of the CCC the management board approves the auditor's remuneration.
	c.) request additional information regarding the auditors' report?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	d.) approve remuneration of (supervisory/management) board members	<input checked="" type="checkbox"/> (state-owned companies)	<input checked="" type="checkbox"/> (other than state-owned companies)	Art. 392 § 1, Art. 378 § 1, § 2 of the CCC; Art. 6 ARP with respect to state-owned companies. In companies other than state-owned, the supervisory board approves the remuneration of the management board members. The remuneration of the supervisory board is approved by the shareholders' meeting.
44.	Does the law impose any conditions on a company to declare dividends?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 348 § 1 of the CCC.
45.	Does the law require the distribution of dividends among holders of shares in proportion to their shareholding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	General rule is that the distribution of dividends among holders of shares is done in proportion to their shareholding (Art. 347 § 1 of the CCC). However, the shares may be privileged as to the dividend according to Art. 351 § 4 and Art. 353 of the CCC.
46.	Does the law require the distribution of liquidated proceeds among holders of shares in proportion to their shareholding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	General rule is that the distribution of liquidated proceeds among holders of shares is done in proportion to their shareholding (Art. 474 § 2 of the CCC). However, the shares may be privileged as to the payment of the liquidation proceeds and then Art. 474 §3 and §4 of the CCC applies.

II.B Shareholders have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as: 1) amendments to the statutes, or articles of incorporation or similar governing documents of the company; 2) the authorisation of additional shares; and 3) extraordinary transactions that in effect result in the sale of the company.

No.	Checklist	Yes	No	Reference to the relevant law
47.	Does the law provide that shareholders should be notified of, and have the exclusive power to vote with respect to: [<i>Please specify if the power can be delegated to the board by the charter.</i>]:			
	a.) amendments to the company charter?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 430 of the CCC. This power cannot be delegated.
	b.) issuance of additional shares?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 431, Art. 444, Art. 445 of the CCC. This power can be delegated. The statute may provide that the shareholders' meeting may authorize the management board to increase the share capital within the limits of the authorised capital. Such resolution requires a majority of three fourths of the votes and the quorum of the shareholders representing at least half of the share capital (in the case of a public company, at least one third of the share capital).
	c.) merger, take-over or reorganisation of the company?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 506 § 1, § 2 of the CCC. This power cannot be delegated.
	d.) winding up or voluntary liquidation of the company?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 459 of the CCC. This power cannot be delegated. Art. 21 of the CCC – the company may also be winded up by the court decision.
	e.) waiver of pre-emptive rights (in the event of capital increase)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 433 § 2 of the CCC. This power cannot be delegated.
	f.) the amendment of the specific rights attached to any class of shares?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 415 § 3 of the CCC. This power cannot be delegated.
48.	Does the law provide that existing shareholders have pre-emption rights to subscribe to newly issued shares in proportion to their relevant shareholding?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 433 § 1 of the CCC.
49.	a.) Does the law allow exceptions/restrictions to these pre-emption rights described in Question 48 above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 433 § 2 of the CCC.
	b.) If yes, are these restrictions required to be approved on a case by case basis <i>and</i> by a super-majority vote of the shareholders (e.g. 75%)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 433 § 2 of the CCC.
50.	Can shareholders delegate to boards the issuance of capital up to an authorized limit and within a specified time-frame?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 444 § 1 of the CCC.
51.	Does the law enable a shareholder who voted against any of the corporate changes in the company as referred to in Question 47 above to sell its shares to the company for not	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 416 §4 of the CCC.

No.	Checklist	Yes	No	Reference to the relevant law
	less than a price determined by an independent valuation entity (or the market)?			

II.C Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings.

No.	Checklist	Yes	No	Reference to the relevant law
52.	Does the law require a shareholder meeting to be held annually, and within a specified time frame (e.g., 6 months) of the end of the company's fiscal year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 395 of the CCC.
53.	Does the law empower the following people to request extraordinary shareholders' meetings:			
	a.) the chairman of the board of directors; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	b.) any member of the board of directors/supervisory board [<i>Please specify</i>]; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	c.) one or more shareholders whose aggregate shareholding represents at least 10% of the Company's issued shares? [<i>Please specify the required shareholding.</i>]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 400 of the CCC – required shareholding 10%.
54.	Does the law enable shareholders to participate in the shareholders' meeting not only in person, but also:			
	a.) by post	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	b.) by voting instructions in writing or by substitutes other than directors on the basis of a power of attorney? If yes, should the power of attorney be notarised?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 412 of the CCC – the power of attorney must be in written form otherwise null and void, generally it does not require notarisation.
55.	Does the law require that a shareholders' meeting be attended by a quorum of shareholders (presence quorum) representing an aggregate of at least 50% + 1 of the company's issued and outstanding common and preferred shares at the first call? [<i>Please specify the quorum for the first, second and third call.</i>]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 408 of the CCC. Unless the law provides otherwise, the shareholders' meeting can be convened irrespective of number of shares represented. The law requires a presence quorum for a shareholders' meeting be shares representing an aggregate of at least 50% + 1 of the company's issued and outstanding common and preferred shares at the first call only when

No.	Checklist	Yes	No	Reference to the relevant law
				authorizing the management board to increase the share capital within the limits of the authorised capital. Moreover, this is the only one instance when the law mentions quorum required for the second call, it being at least one third of the share capital of the company.
56.	Does the law require the adoption of ordinary resolutions by an affirmative vote of a majority (of 50% + 1) of all of the company's issued and outstanding voting shares (decision quorum)? <i>[Please specify the quorum for the first, second and third call.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	According to Art. 414 of the CCC, resolution are to be adopted by majority of votes.
57.	Does the law require a super-majority vote of at least 75% of all the company's issued and outstanding voting shares regarding resolutions for the following matters:			
	a.) any amendment to the company's charter <i>[Please specify the quorum required at the second and third call.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 415 § 1 of the CCC. Art. 445 § 1 of the CCC, second call – 33 % of share capital present. Only with respect to private companies.
	b.) any merger or reorganisation of the company <i>[Please specify the quorum required at the second and third call.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 506 § 1 of the CCC with respect to private company. No second call option.
	c.) the winding up or voluntary liquidation of the company <i>[Please specify the quorum required at the second and third call.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 415 § 1 of the CCC. No second call option.
	d.) a waiver of shareholders' tender rights in case of voluntary redemption <i>[Please specify the quorum required at the second and third call.];</i> and	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 415 § 1 CCC – 75 % votes required; § 4 – in case at least 50 % of the share capital is represented at the general shareholders' meeting, absolute majority of votes cast required. No second call option.
	e.) any single transaction or series of transactions involving at least 25% of the company's assets? <i>[Please specify the quorum required at the second and third call.]</i>	<input checked="" type="checkbox"/> (time limit)	<input type="checkbox"/>	Art. 394 § 1, § 2 of the CCC – the consent of the shareholders' meeting is required only within 2 years of the company's registration. No second call option.

No.	Checklist	Yes	No	Reference to the relevant law
	In the case of any proposed restriction(s) on, or any amendment of, the specific rights attached to any class of shares, does the law require:			
58.	a.) the 50 % + 1 presence quorum and	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 419 § 1 of the CCC. There is no required quorum.
	b.) a super-majority vote of at least 75% of the company's issued and outstanding voting shares within each such class of shares which may be affected by the proposed restriction or amendment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 419 § 1 of the CCC. A resolution on amendments to the statutes, providing for an alteration of personal rights granted to individual shareholders requires the consent of all the shareholders concerned.
59.	Is there a certain amount of time that must elapse between a first and second call?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
60.	In cases where the rules relating to the holding of shareholders' meetings have been violated, does the law provide for the right of shareholders to bring an action in order to set aside a shareholder's resolution? <i>[If yes, please specify what is the percentage required for such action.]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 422 § 2 of the CCC – upon fulfilment of required criteria, any shareholder can bring action to set aside a shareholders' resolution.

II.C.1 Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.

No.	Checklist	Yes	No	Reference to the relevant law
61.	a.) Does the law require that the company notify the shareholders of the agenda for a shareholders' meeting at least 20 calendar days in advance of the scheduled shareholders' meeting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 402 of the CCC. The shareholders should be notified at least three weeks in advance.
	b.) Does the law allow that the notification of the general meeting be published in a newspaper or official gazette, without the need for individual notification to each shareholder? <i>[If yes, please specify if it is required that the newspaper must have national distribution.]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 402, Art. 5 § 3 of the CCC. It is required that the newspaper must have national distribution.
62.	Does the law require a power of attorney proxy form to be sent out at the same time when the notice convening the meeting is sent out?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.

No.	Checklist	Yes	No	Reference to the relevant law
63.	In case of a proposed shareholders' meeting where any of the proposed resolutions require super-majority approval, does the law require that the company send a copy of the agenda, including any valuation reports and proposed resolutions and charter amendments to the shareholders?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 402 § 2 of the CCC, Art. 504 of the CCC, Art. 539 of the CCC.

II.C.2. Opportunity should be provided for shareholders to ask questions to the board and to place items on the agenda at general meetings, subject to reasonable limitations.

No.	Checklist	Yes	No	Reference to the relevant law
64.	Does the law require the agenda for a shareholders' meeting to be adopted by the board of directors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 399 § 1, Art. 402 § 2 of the CCC.
65.	Does the law provide for additional items to be added to the agenda at the request of:			
	a.) the chairman of the board of directors;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	b.) any 2 directors; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	c.) any one or more shareholders whose aggregate shareholding represents at least 10% of the company's issued and outstanding shares?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 400 § 1 of the CCC.
66.	a.) Does the law allow shareholders to submit questions in advance of a shareholders' meeting to which management and board members are required to reply at such shareholders' meeting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Management board is not required to reply to these questions at the shareholders meeting, unless the questions are raised at the shareholders meeting.
	b.) Does the law impose any penalties for not replying to such a shareholder request?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	c.) Does the law allow shareholders to ask questions at the shareholder meeting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 428 § 1 of the CCC.

II.D Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.

No.	Checklist	Yes	No	Reference to the relevant law
67.	a.) Does the law regulate cross-shareholdings ¹ ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 362 § 4 of the CCC.
	b.) Is there a voting cap limiting the number of votes that a shareholder, who holds a cross-shareholding in another company, may exercise in dealings with that company (for example a voting cap of 10%)? [If so, please specify the voting cap.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 362 § 4 of the CCC – general prohibition on acquiring shares of a dominant company by its affiliates.
68.	a.) Are there rules that govern the disclosure by shareholders of ultimate beneficial ownership? If yes, please specify the thresholds for disclosure of ownership.	<input checked="" type="checkbox"/> (only listed companies)	<input type="checkbox"/>	Art. 69 of the APO – shareholders must report increase or decrease of their engagement in the company. The thresholds are: 5 %, 10 %, 20 %, 25 %, 33 %, 50 %, and 75 %. In case shareholder owns shares representing at least 10% votes, they must report change of their engagement by 2% of votes. In case shareholder owns shares representing at least 33% votes, they must report change of their engagement by 1% of votes. The provisions of art. 69 of the APO and Art. 70 of the APO must be applied in connection with Art. 87 Section 1 of the APO and Art. 4 No. 14 of the APO.
	b.) Do ownership disclosure rules enable shareholders to obtain a clear picture of a company's ultimate ownership and the identity of intermediaries?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Company's ultimate ownership and the identity of intermediaries are not clearly disclosed.
69.	Does the law impose restrictions on transactions involving shareholders with a conflict of interest regarding the transaction in order to avoid disadvantageous transaction terms for the company?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
70.	Are shareholders required to disclose shareholder agreements to the company, the authorities and/or to other shareholders?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 56, Art. 154 of the APO. Shareholders of listed companies is obliged just to inform the company about the shareholder agreement (not to disclose it) if it may be treated as confidential information or such information can have impact on the price of shares.

¹ A cross-shareholding is where the company owns shares in another company which is also one of its own shareholders.

II.E Changes of corporate control should be allowed to function in an efficient and transparent manner.

II.E.1. The rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers and sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that investors understand their rights and recourse. Transactions should occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class.

No.	Checklist	Yes	No	Reference to the relevant law
71.	Does the law require notification to the company, the other shareholders, the securities commission, the stock exchange or anti-monopoly office if a shareholder builds up a significant shareholding in the company? <i>[Please briefly describe how the law define significant shareholding.]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 6 § 1 of the CCC, Art. 69 of the APO. Neither CCC nor APO contains definition of significant shareholding, however it may be concluded that according to Art. 6 of the CCC, rights from 33% of shares, constitutes significant shareholding. With respect to listed companies, according to Art. 69 of the APO, it may be concluded that rights from 5% of shares constitutes significant shareholding. Art. 13 of the AL – Notification to AMO is required in case of acquisition of shares resulting in taking control over the company, if the company's turnover exceeds EUR 1,000,000,000 worldwide or EUR 50,000,000 domestic.
72.	Does the law impose any penalties for non-notification (e.g. a shareholder not being allowed to exercise the voting rights attached to the shares)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 6 § 1 of the CCC, Art. 97 of the APO.
73.	Are shareholders of the same class treated equally during changes of control? Is there a provision that minorities receive the same price as the controlling owner?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 20 of the CCC. There's no provision that minorities receive the same price as the controlling owner.
74.	Does the law include a provision allowing an offeror to require the holders of the remaining securities to sell their securities at a fair price (the so-called minority squeezed out)? If yes, please specify the shareholding threshold.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 418 of the CCC – private joint-stock-companies – threshold – 95% of shares. Art. 82 of the APO – listed joint-stock companies – threshold – 90 % of shares.
75.	Does the law include a provision allowing the holders of remaining securities to require the offeror to buy their securities at a fair price (the so-called minority buy-out)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 418 ¹ of the CCC – private joint-stock companies – threshold – no more than 5% of shares owned by a minor shareholder. Art. 83 of the APO – listed joint-stock companies – threshold – 90% of shares owned by the major shareholder.

II.E.2. Anti-takeover devices should not be used to shield management from accountability.

No.	Checklist	Yes	No	Reference to the relevant law
76.	Does the law require an authorisation by a shareholders' resolution with a majority of 75% of the company's issued shares, before the board of directors is entitled to enter into any transaction other than for full and valid consideration as a measure to prevent a change of control in the company?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.

Principle III: The equitable treatment of shareholders

The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights.

III.A. All shareholders of the same class should be treated equally.

III.A.1 Within any class, all shareholders should have the same voting rights. All investors should be able to obtain information about the voting rights attached to all classes of shares before they purchase. Any changes in voting rights should be subject to shareholder vote.

No.	Checklist	Yes	No	Reference to the relevant law
77.	Does the law require that within any class of shareholders all shareholders have the same voting rights? If yes, does the law implement the principle “one share-one vote”?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Generally yes, subject to the comments below.</p> <p>Art. 351 of the CCC permits the issuance of privileged shares. Within each given class of shares (privileged, non-privileged), the shareholders would normally have the same voting rights. They might not have the same voting rights as regards shareholders from other classes.</p> <p>However, art. 354 of the CCC permits the granting of so-called "personal rights" to shareholders. These rights are personal to the shareholder in that they are not attached to the shares held by such shareholder. The "personal right" of a shareholder may consist, e.g. in having the right to nominate members of the management board or the supervisory board. In such a case, a shareholder having "personal rights" would formally have the same number of votes as other shareholders within the same class of shares, but materially would be able to have more influence on the company or have additional entitlements.</p> <p>The "one share-one vote" principle is not implemented in Poland on a general level. Art. 352 of the CCC provide that the maximum voting privilege attached to a share is two votes. However, as regards listed companies, the "one share-one vote" principle is implemented (Art. 351§ 1 of the CCC). A small number of listed companies may still exist with more than one vote attached to one share, if such voting privileges have been incorporated prior to the change in the law implementing the "one share-one vote" principle with regard to listed companies.</p>
78.	Does the law allow investors to have access to information about the voting rights attached to all classes of shares	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 304, Art. 320 of the CCC, Art. 8, and Art. 8a of the ANCR.

No.	Checklist	Yes	No	Reference to the relevant law
	before they purchase? If yes, where is this information available?			The information on voting rights attached to shares is provided in the company's statute and on the share certificate. The company's statute can be reviewed in company's registry acts that are freely available in the register court in which the company is registered. Excerpts from the register of entrepreneurs, which are available to all interested persons.

III.A.2 Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress

No.	Checklist	Yes	No	Reference to the relevant law
79.	Does the law provide for specific sanctions and/or liabilities in case of:			
	a.) violation of the rules on notification of shareholder meetings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 422 of the CCC – in case of such violation, shareholders who were absent on the shareholders' meeting would have standing to sue for invalidation or setting aside of the resolutions passed on the shareholders meeting (if certain additional criteria related to such resolutions are met). Arguably, the management board (who is responsible for convening the shareholders meeting) could also be subject to civil liability for any damage caused to the company (Art. 483 of the CCC) or criminal liability (acting to the detriment of the company – Art. 585 of the CCC or announcing false information – Art. 587 of the CCC). However, the minutes of the shareholders' meeting have to be taken down by a notary public and state that the meeting has been validly summoned (Art. 421 of the CCC). In practice, (for personal liability reasons) a notary public will not agree to take down the minutes of a shareholders meeting, which has not been validly convened.
	b.) violation of rules allowing shareholders to place items on the agenda for the annual meeting	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There are no provisions directly sanctioning this behavior. Shareholders having the right to demand that certain items be placed on the agenda of the shareholders' meeting may petition the court to summon a meeting with that agenda, if the management board refuses to do so (Art. 400 and 401 of the CCC).

No.	Checklist	Yes	No	Reference to the relevant law
	c.) delays or failure to pay dividends authorized by shareholder meetings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Delays or failure to pay dividends may result in damage to the company itself (e.g. obligation to pay interest on the default amounts). In such a case, the management board could be liable to the company (Art. 483 of the CCC) or, theoretically and arguably, to the shareholder who suffered the damage (Art. 490 of the CCC). Moreover, in such cases also a company would be liable towards its shareholders.
	d.) failure to allow inspection of books and records	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanctions and liability would depend on whom and in what circumstances is refused access to the books and records. As an example, Art. 594 of the CCC imposes criminal sanctions on the management board members if they refuse to grant access to a person authorised to carry out an audit of the company.

III.A.3 Votes should be cast by custodians or nominees in a manner agreed upon with the beneficial owner of the shares

No.	Checklist	Yes	No	Reference to the relevant law
80.	Are financial institutions, holding shares in custody for investors, required by law to provide shareholders with information concerning their options in the use of their voting rights?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A

III.A.4 Processes and procedures for general shareholder meetings should allow for equitable treatment of all shareholders. Company procedures should not make it unduly difficult or expensive to cast votes.

No.	Checklist	Yes	No	Reference to the relevant law
81.	Can the general meeting be held abroad or in a place other than the company headquarters?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 403 of the CCC. The general meeting can be held in company's headquarter or in the place of seat of a company running stock exchange where it is listed. The statute may provide for other place in Poland. Holding general meeting abroad is forbidden.

III.B. Insider trading and abusive self-dealing should be prohibited.

No.	Checklist	Yes	No	Reference to the relevant law
82.	Does the law require company disclosure of information likely to affect stock exchange prices (in order to prevent insider dealing of shares), without undue delay?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 56 of the APO.
83.	Are there any laws in place which prevent or punish insider trading?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 156 – 161 of the ATFI (preventing) and Art. 174 - 176 of the ATFI (administrative liability), Art 179 – 182 of the ATFI (criminal liability).
84.	Are board members, senior managers or controlling shareholders required to disclose transactions involving their company's shares?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 160 of the ATFI as regards insiders. Art. 69 – 71 of the APO as regards transactions in specified amount of shares.

III.C. Members of the board and managers should be required to disclose any material interests in transactions or matters affecting the corporation.

No.	Checklist	Yes	No	Reference to the relevant law
85.	Under the law, is a shareholder, director, officer or employee of the company who has conflicting interests in a deal between the company and another party, required to disclose such interests to the company?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 370 and 380 of the CCC – with regard to management board members only in listed companies. Art. II.3, II.4 and III.4 of the GP 2008 also apply.
86.	Under the law, must the Board of Directors / Supervisory Board [<i>please specify</i>] ensure that the company pay a fair price for assets or services purchased from or sold to any shareholder, director, officer, employee, agent or representative or related entities of the company?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Such an obligation may be derived generally from the obligation of the management board to act in the interest of the company in any transaction. Art. 394 of the CCC – contracts for acquisition of any assets for the company, for a price higher than one tenth of the paid-up initial capital, from a promoter, or shareholder, or for a dependent company or cooperative from a promoter, shareholder or parent of the company, which are concluded before the lapse of two years from registration of the company, require a resolution of the shareholders' meeting adopted by a two-thirds majority of votes. The shareholders' meeting shall be furnished with a management board report and led by a court-appointed auditor.
87.	Can directors, officers or shareholders of a company who have conflicts of interests with the company, be legally prevented from voting at the meetings where those interest-	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 377 of the CCC as regards members of the management board. Art. 413 of the CCC – a shareholder may not vote on resolutions concerning his liability towards the company on whatever account, including the

No.	Checklist	Yes	No	Reference to the relevant law
	related issues are discussed?			acknowledgement of the fulfillment of his duties, release from any of his duties towards the company, or any dispute between him and the company.
88.	a.) Does the law allow the company to give people including the company's directors, officers and employees the right to buy shares?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There is no legal provision prohibiting mentioned persons from buying shares of the company. In addition certain provisions of the law expressly refer to such rights (e.g. Art 448 of the CCC).
	b.) Are there any restrictions imposed on such acts?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As regards listed companies Art. 159 and 160 of the ATFI – there are restricted periods during which certain persons (insiders) may not acquire or sell shares and have disclosure obligations.
89.	Does the law require that all related party transactions be:			
	a.) specifically approved by the board (supervisory/management please specify)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Selected provisions only apply: Art. 15 of the CCC – loans granted to the members of the management board or the supervisory board need to be approved by the shareholders' meeting. With regard to listed companies: Art. II.3 and III.9 of the GP 2008.
	b.) disclosed to shareholders?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	As above.
	c.) registered in the company financial statement?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	As for the companies that prepare their financial statements based on IFRS (please see question 6 (d)), "IAS 24: Related Party Disclosures" applies.
90.	Does the law require disclosure of loans made by the company to related parties (e.g. parent companies, subsidiaries, directors, employees, their spouses, children or relatives of the company or related companies)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above.
91.	Under the law, can transactions made by companies, which are not based on fair market values, be invalidated and action be taken against the relevant parties?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Invalidation – based on general principles of law, depending on a case-by-case basis. In order to invalidate the transaction, it must be proved that it is contrary to the law, designed to circumvent the law or inconsistent with the principles of community life. Action against members of the management board and/or the supervisory board – based on general principles, if such a transaction was made to the detriment of the company. Criminal and/or civil law sanctions may apply. See above.

Principle IV: The role of stakeholders in corporate governance

The corporate governance framework should recognise the rights of the stakeholders as established by law and encourage active co-operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.

IV.A. The corporate governance framework should assure that the rights of stakeholders (i.e. employees, suppliers, creditors) protected by law are respected.

No.	Checklist	Yes	No	Reference to the relevant law
92.	Does the law contain clear provisions on:			
	a.) safety at work for employees?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Art. 208 – 237¹⁵ LC.</p> <p>Working conditions are subject to inspections by relevant governmental agency (State Labour Inspection) under the Act dated 13 April 2007 on State Labour Inspection.</p> <p>Regulation of the Minister of Labour and Social Policy dated 26 September 1997 on general work health and safety provisions.</p> <p>Regulation of the Council of Ministers dated 2 September 1997 on the work safety and health service.</p> <p>Regulation of the Minister of Economy and Labour dated 27 July 2004 on the trainings concerning the work safety and health.</p> <p>Regulation of the Minister of Labour and Social Policy dated 21 December 1998 on the safety and health conditions for the workplaces with VDT monitors.</p> <p>Additionally, there are numerous Regulations concerning the health and safety conditions for a variety of occupations.</p>
	b.) protection of suppliers as stakeholders?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Polish law generally do not recognise a category of stakeholders. General civil law rules apply.
	c.) protection of creditors as stakeholders?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Polish law generally do not recognise a category of stakeholders. General civil law rules apply. The creditors being financial institutions (banks) are protected by the possibility to issue bank warrant of execution that stands for court writ of execution in execution proceeding.

No.	Checklist	Yes	No	Reference to the relevant law
	d.) environmental protection (e.g., implementation of the “polluter must pay” principle)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 7 and 284 - 321 of the LEP. Art. 69 – 79a of the LW. Art. 185 – 188 of the WL. Art. 21 – 29 of the LPP. Art. 12 – 23 of the LEO. Additionally, technical details are covered by several regulations that have been issued by the Ministry of Environment.

IV.B. Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.

No.	Checklist	Yes	No	Reference to the relevant law
	Does the law incorporate effective and easily workable remedies for violations of:			
93.	a.) employees rights?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 18 ^{3d} , 56, 59, 67, 72, 112, 242 of the LC.
	b.) suppliers rights?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	General CC rules apply, i.e. Art. 415 and 471 of the CC.
	c.) creditors rights?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	General CC rules apply, i.e. Art. 415 and 471 of the CC.
	d.) environmental regulations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 323 of the LEP.

IV.C. The corporate governance framework should permit performance-enhancing mechanisms for stakeholder participation.

No.	Checklist	Yes	No	Reference to the relevant law
94.	Does the law require employee representation on boards (<i>supervisory/management- please specify</i>)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	In general, there is no such obligation. The only exception concerns the certain commercialised companies under the Art. 14 and 16 of the ACP, where the employees appoint from two up to four of members of the supervisory board and, in some cases, one member of the management board.

No.	Checklist	Yes	No	Reference to the relevant law
95.	Does the law permit employee stock ownership plans or other profit sharing mechanisms?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There are no provisions to the contrary.
96.	Does the law permit creditor involvement during insolvency proceedings?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 191, 206, 285 of the IL.

IV.D. Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.

No.	Checklist	Yes	No	Reference to the relevant law
97.	Do stakeholders have special access to corporate information?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A

IV.E. Stakeholders, including individual employees and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.

No.	Checklist	Yes	No	Reference to the relevant law
98.	Are there any provisions protecting “whistleblowers” (employees and other stakeholders that file complaints/voice concerns regarding unethical or illegal practices by corporate officers)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LC.

Principle V: Disclosure and Transparency

The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership, and governance of the company.

Timely and accurate disclosure allows all potential investors and market participants to review publicly available information based on which investment decisions are made.

V.A. Disclosure should include but not be limited to, material information on:

V.A.1 The financial and operating results of the company.

No.	Checklist	Yes	No	Reference to the relevant law
99.	Does the law require all joint stock companies to prepare annual audited financial statements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 64, Section 3, No. 1 of the AA. Please note that joint stock companies, which are in the organisation, are not obliged to prepare annual audited financial statements.
100.	Does the law require all joint stock companies to prepare quarterly financial reports?	<input checked="" type="checkbox"/> (listed)	<input type="checkbox"/>	§ 86, item 1 of the RIPIS, § 91 item 1 of the RIPS, § 90 of the RIPIS. Only listed companies are required to prepare quarterly reports.
101.	Does the law require joint stock companies to prepare group accounts on consolidated basis?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Under Art. 55 of the AA, only a dominant company is required to prepare a consolidated financial statement of its capital group.
102.	Do laws or regulations to include in their annual reports to shareholders that:			
	a.) The financial statements are their (board's) responsibility.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	b.) The auditor is responsible for reporting on the financial statements.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	c.) The financial statements fairly present the state of company affairs.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.

V.A.2 *Members of the board and key executives, and their remuneration.*

No.	Checklist	Yes	No	Reference to the relevant law
103.	Is the company required by law to disclose board positions in other companies of individual board members and key executives?	<input checked="" type="checkbox"/> (listed)	<input type="checkbox"/> (private)	§ 5, item 1, No. 22, § 28, item 5 of the RIPIS.
104.	Does the law require the company to disclose the compensation of board members and key executives? [Please specify if the disclosure is on individual or aggregate basis.]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The information on the compensation of board members and key executives should be included in additional information to the financial statements (AA, Attachment 1, Additional information and clarification, item 4, No. 2). The disclosure should be made on aggregate basis. In case of listed companies, such information should be also disclosed in the annual report (§ 95, item 6, No. 17 of the RIPIS). The disclosure should be made on individual basis.
105.	Under the law, do shareholders determine the remuneration of the board?	<input type="checkbox"/> (only for state-owned)	<input checked="" type="checkbox"/> (all other companies)	Art. 378 § 1 of the CCC. Please note that in state-owned companies remuneration of the board determined by the shareholders (Art. 6 Section 2 ARP).

V.A.3 *Material foreseeable risk factors*

No.	Checklist	Yes	No	Reference to the relevant law
106.	Is the company required by law to disclose to users of financial information and market participants information on reasonably foreseeable material risk such as the following:			
	a.) risks specific to the industry or geographic area;	<input checked="" type="checkbox"/> (listed)	<input type="checkbox"/>	§ 95, item 5, No. 3 of the RIPIS (for listed companies only)
	b.) dependence on commodities;	<input checked="" type="checkbox"/> (listed)	<input type="checkbox"/>	§ 95, item 6, No. 1 and No. 2 of the RIPIS (for listed companies only)
	c.) financial market risk, including interest rate or currency risk;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 49, Section 2, item 7, fig. (a) of the AA. § 93, item 1, No. 3 of the RIPIS, § 95, item 1, No. 4 of the RIPIS.
	d.) risk related to derivatives and off-shore;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 49, Section 2, item 7, fig. (a) and (b) of the AA. § 93, item 1, No. 3 of the RIPIS, § 95, item 1, No. 4 of the RIPIS.

No.	Checklist	Yes	No	Reference to the relevant law
	e.) environmental liabilities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 49, Section 3 of the AA. § 93, item 1, No. 3 of the RIPIS, § 95, item 1, No. 4 of the RIPIS.

V.A.4. Material issues regarding employees and other stakeholders.

No.	Checklist	Yes	No	Reference to the relevant law
107.	Does the law require the company to disclose key issues relevant to employees and stakeholders that may materially affect the performance of the company (such as management/employee relations and relations with creditors, suppliers and local communities)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.

V.A.5. Governance structures and policies.

No.	Checklist	Yes	No	Reference to the relevant law
108.	Does the law require the company to appoint a responsible body/officer in charge of corporate governance issues (e.g., company secretary)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
109.	Does the law require the company to disclose (e.g. in its annual report or a similar document) its corporate governance structures and policies, (for example, by providing information on the division of authority between shareholders, management and board members)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Such information is disclosed in the company's charter, which is publicly available. Apart from that, in accordance with § 95, item 6, No.14 and 15 of the RIPIS, a listed company is obliged to submit this information in the form of the annual report.

V.B. Information should be prepared, audited, and disclosed in accordance with high quality standards of accounting, financial and non-financial disclosure, and audit.

No.	Checklist	Yes	No	Reference to the relevant law
110.	Does the law require the company to prepare and disclose financial and operating data in accordance with internationally recognised accounting standards?	<input checked="" type="checkbox"/> (listed)	<input type="checkbox"/>	Art. 55 Section 6a of the AA. (for listed companies only)

V.C. An annual audit should be conducted by an independent auditor in order to provide an external and objective assurance on the way in which financial statements have been prepared and presented.

No.	Checklist	Yes	No	Reference to the relevant law
111.	Does the law require financial results to be annually audited by an independent auditor? Is the independence of the external auditor defined?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Art. 66, Section 1 and Section 2 of the AA.</p> <p>Art. 66, Section 2 of the AA provides for a negative definition of independence. According to this provision, an auditor is <u>NOT</u> impartial and independent if:</p> <ol style="list-style-type: none"> 1) He owns shares or other property titles in the examined unit, in a unit associated with it, dominating, dependent or co-dependent with the exclusion of a share in a housing association; 2) He is, or in the previous 3 years was a legal representative (proxy), a member of the supervisory or managing organs or an employee of the examined unit or of a unit associated with it, dominating, dependent or co-dependent; 3) In the previous 3 years he participated in keeping the account books, drawing up a financial report that is subject to examination; 4) He achieved in one of the previous 5 years at least 50% of yearly income from providing service for the examined unit, a unit dominating for it, associated units, or units dependent on it or co-dependent; however, this does not refer to the first year of auditor's activity; 5) He is a spouse, relative or in-law within the first degree or has a personal relationship deriving from the title of custody, adoption or tutelage with a managing person or a person being a member of supervisory organs of the unit or if he employs such persons at performing the examination; 6) For other reasons he cannot draw up an impartial and independent opinion.

No.	Checklist	Yes	No	Reference to the relevant law
112.	Does the law provide a test to ensure that the auditor is truly independent from the influence of management?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 66, Section 2, item 2 and 5 of the AA, and Art. 66, Section 6 of the AA provide for a negative definition of independence.

V.D. Channels for disseminating information should provide for fair, timely and cost-efficient access to relevant information by users.

No.	Checklist	Yes	No	Reference to the relevant law
113.	How often is the company required by law to disseminate information to shareholders?			
	a.) annually?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 395 § 4 of the CCC.
	b.) quarterly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	c.) monthly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	d.) upon certain events (e.g. before the general meeting)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 428 § 1 of the CCC. During the general meeting, the management board is obliged to give the shareholder the information pertaining to the company, if such information is required to vote for the resolution being in the agenda.
114.	How often is the company required by law to disseminate information to the securities commission and the stock exchange?			
	a.) annually?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 56, Section 2 of the AOP, § 86, item 1 of the RIPIS.
	b.) quarterly??	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 56, Section 2 of the AOP, § 86, item 1 of the RIPIS.
	c.) monthly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	§ 86, item 1 of the RIPIS.
	d.) upon certain events (e.g. before the general meeting)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 56, Section 2 of the AOP. Upon the occurrence of events listed in § 5, item 1, § 33, item 1, § 34, item 1 of the RIPIS the company is required to disseminate the information thereof in the form of the current report.
115.	Does the law require the company to make publicly available <i>[Please describe how the law requires these documents to be made available/disclosed]</i>			
	a.) minutes of the shareholders meetings;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 56, Section 2 of the AOP, § 39, item 1, No. 5 of the RIPIS. A listed company is obliged to disseminate the information of the shareholders' meeting in the form of the current report. The current report must be first submitted to the regulator (i.e. PFSA) and WSE, disclosed to a press agency and published on the company's website.

No.	Checklist	Yes	No	Reference to the relevant law
	b.) audited financial statements of the company, as approved by the shareholders' meeting;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Art. 8a Section 1 point 5 ANCR.</p> <p>Audited financial statements of the company, as approved by the shareholders' meeting are made publicly available in the NCR.</p> <p>Art. 56, Section 2 of the AOP, Art. 7 of the AA, § 95, item 1, No. 3 of the RIPIS.</p> <p>According to § 95, item 10 of the RIPIS, audited financial statements of a listed company should be included in the annual report, which should be submitted to the PFSA, WSE and subsequently to the market on the day indicated by the company in the form of a periodic report, however not later than:</p> <p>(i) 15 days before the day of the shareholders' meeting that is convened to approve the financial statement;</p> <p>(ii) seven days after receiving the opinion of the independent auditor;</p> <p>(iii) six months after preparing the financial statement.</p>
	c.) any amendments to the company charter or other constitutional documents of similar nature (e.g., articles of association);	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Art. 320 Section 1 item 1, Art. 321 item 1 of the CCC, Art. 430 § 1 CCC.</p> <p>The amendments to the company's charter must be notified to the NCR, where they are publicly available.</p> <p>Art. 56, Section 2 of the AOP, § 39, item 1, No. 2 of the RIPIS.</p> <p>The company is obliged to disseminate the information on the amendment of the company's charter in the form of the current report.</p> <p>The current report must be first submitted to the regulator (i.e. PFSA) and WSE, disclosed to a press agency and published on the company's website.</p>
	d.) the names of any resigning or removed directors and of newly elected directors;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Art. 318 item 7, Art. 321 item 1 of the CCC.</p> <p>The names of any resigning or removed directors and of newly elected directors must be notified to the NCR, where they are publicly available.</p> <p>Art. 56, Section 2 of the AOP, § 5, item 1, No. 21 and 22 of the RIPIS.</p> <p>The company must disseminate the information about any resigning or removed directors and of newly elected directors in the form of the current report.</p> <p>The current report must be first submitted to the regulator (i.e. PFSA) and WSE, disclosed to a press agency and published on the company's website.</p>

No.	Checklist	Yes	No	Reference to the relevant law
	e.) the name of the statutory auditor;	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 56, Section 2 of the AOP, § 5 item 1. No. 19 and No. 20 of the RIPIS (for listed companies only). The company must disseminate the information about the choice of the statutory auditor in the form of the current report. The current report must be first submitted to the regulator (i.e. PFSA) and WSE, disclosed to a press agency and published on the company's website.
	f.) information on bankruptcy proceedings?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 464 CCC. § 5 item 1 No. 24 of the RIPIS, Art. 56, Section 2 of the AOP. The listed company must disseminate the information on bankruptcy proceeding in the form of the current report. The current report must be first submitted to the regulator (i.e. PFSA) and WSE, disclosed to a press agency and published on the company's website.
116.	Does the law require that the following documentation be made available for shareholder inspection at the offices of the company:			
	a.) the company's charter or other constitutional documents of similar nature including all amendments;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	GP 2008, Part. II 1. The listed company's corporate documents (i.a. its charter and by-laws of its governing bodies) should be published on the company's website.
	b.) financial statements and statutory auditor reports;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	c.) any report of an independent evaluation expert prepared in connection with a shareholders' meeting;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 504 § 2 item 2, Art. 505 § 1 of the CCC, Art. 540 § 1 item 5. Shareholders of the merging companies or of the companies being divided are entitled to review an opinion and a report concerning the merger plan/the division plan drawn up by a certified auditor.
	d.) minutes of each shareholder meeting and of each board meeting and any sub-committee;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 421 of the CCC. There is no obligation to make minutes of a board meeting or any sub-committee meeting available for inspection by a shareholder at the offices of the company.
	e.) a list of shareholders owning 1% or more of the company's issued shares;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 341 CCC. The management board is obliged to maintain the share register only if there are registered shares and issue certificates.
	f.) a list of shareholders who have not fully paid for their shares and the amounts due?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 341 § 1 of the CCC.
117.	Is the company required by law to provide an annual report and/or monthly/quarterly reports to third parties upon request?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.

Principle VI: The Responsibilities of the Board

The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board's accountability to the company and the shareholders.

VI.A Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.

No.	Checklist	Yes	No	Reference to the relevant law
118.	Does the law require the management/supervisory board [<i>please specify</i>] to act in the best interest of the company and its shareholders?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 483 § 2 of the CCC. Art. 585 of the CCC. With regard to the listed companies only: I.7 GP 2008 states that every member of the supervisory board should be directed by the interest of the company, however this is not a provision of the commonly binding law.
119.	Does the law provide for shareholders to bring actions on behalf of the company against the board? (i.e., derivative suit) [<i>If yes, please specify the shareholding necessary to start such action.</i>]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 486 of the CCC (when the company has failed to bring action for relief within one year from the disclosure of the injurious act). Any shareholder (or any other person entitled to a share of the company's profits or assets upon liquidation) may start such action. Note, however, that this provision is seldom used in practice.
120	a.) In discharging their duties, are board members personally liable for breaches of the law while they are in office?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 479-490 and Art. 512, 526, 548 of the CCC and general provisions of CC concerning general civil liability issues (e.g. Art. 415 and Art. 471 of the CC). Separate provisions of the law impose criminal liability on board members.
	b.) Are executives who sign the annual report and prospectus personally liable for the accuracy of information included therein?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 98 and Art. 100 of the APO. Art. 4 Section 5 and Art. 77-79 of the AA.

VI.B. The board should fulfill certain key functions, including:

VI.B.1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.

No.	Checklist	Yes	No	Reference to the relevant law
121.	Under the law, do the responsibilities of the board [in case of a two tier system, please specify if it is the responsibility of the management or supervisory board]include:			
	a.) reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 368 of the CCC – general management board competence and duties. Art. 382 – 384 of the CCC – general supervisory board competence and duties to oversee every aspect of the company’s activity.
	b.) setting performance objectives;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 368 of the CCC – general management board competence and duties.
	c.) monitoring implementation and corporate performance; and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 368 of the CCC – general management board competence and duties. Art. 382 – 384 of the CCC – general supervisory board competence and duties to oversee every aspect of the company’s activity.
	d.) overseeing major capital expenditures, acquisitions and divestitures?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 368 of the CCC – general management board competence and duties. Art. 382 – 384 of the CCC – general supervisory board competence and duties to oversee every aspect of the company’s activity. However, decisions in that field may also be subject to the consent of the shareholders’ meeting.

VI.B.2. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.

No.	Checklist	Yes	No	Reference to the relevant law
122.	Under the law, do the responsibilities of the board [in case of a two tier system, please specify if it is the responsibility of the management or supervisory board]include:			
	a.) selecting, compensating, monitoring key executives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 368 § 4 and Art. 378 of the CCC – supervisory board appoints the management board members, monitors and determines their compensation unless the statute of the company provides otherwise.

No.	Checklist	Yes	No	Reference to the relevant law
	b.) replacing key executives, and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 368 § 4 and Art. 378 of the CCC. This is a duty/competence of the supervisory board with regard to the management board members and a duty/competence of the management board with regard to other executives of the company.
	c.) overseeing succession planning?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 368 § 4 and Art. 378 of the CCC. This is a duty/competence of the supervisory board with regard to the management board members and a duty/competence of the management board with regard to other executives of the company.

VI.B.3. *Reviewing key executive and board remuneration, and ensuring a formal and transparent board nomination process.*

No.	Checklist	Yes	No	Reference to the relevant law
	Under the law, do the responsibilities of the board [<i>in case of a two tier system, please specify if it is the responsibility of the management or supervisory board</i>] include:			
123.	a.) reviewing key executive and board remuneration, and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 368 § 4 and Art. 378 of the CCC – supervisory board appoints the management board members, monitors and determines their compensation unless the statute of the company provides otherwise. This is a duty/competence of the supervisory board with regard to the management board members and a duty/competence of the management board with regard to other executives of the company. With regard to the listed companies only: I.5 GP 2008 states that the remuneration of the members of the company’s bodies should relate to the scope of the tasks and responsibility due to performed function, the company’s size as well as should be in reasonable relation to its economic results.
	b.) ensuring a formal and transparent nomination process for board members?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.

VI.B.4. *Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.*

No.	Checklist	Yes	No	Reference to the relevant law
124.	Under the law, do the responsibilities of the board (<i>in the case of a two tier system, please specify if it is the responsibility of the management or supervisory board</i>) include functions such as monitoring and managing potential conflicts of interest involving management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Art. 377 of the CCC – in the event of a conflict of interest between the company and a management board member, or the member’s spouse, relatives to the second degree and persons with whom the member is personally connected, the management board member should abstain from participating in solving such matters.</p> <p>Art. 379 of the CCC – in a contract between the company and a management board member, likewise in a dispute with a management board member, the company should be represented by the supervisory board or by a proxy appointed by the general shareholders’ meeting.</p> <p>Art. 380 of the CCC – a management board member cannot, without the company’s consent, be involved in any way in competitive business.</p> <p>The law generally does not contain separate provisions on conflict of interests of supervisory board members. Certain provisions are contained, however, in the GP 2008.</p> <p>With regard to the listed companies only:</p> <p>I.7 GP 2008 states that every member of the supervisory board should act in the interest of the company and give independent opinions and judgments. In particular they may not take unjustifiable profits that may affect their independence and must make objections when any decision is, in their view, contrary to the company’s interest.</p> <p>II.3, II.4 GP 2008 state that the supervisory board should approve significant agreements with an affiliate before their conclusion. Members should notify the management board of the existence of any conflict of interest.</p> <p>III.4, III.5, III.9 GP 2008 state that supervisory board members should inform the board about a conflict of interest. The member then may not present their view during discussion or vote on the issue. Members of the board should not resign when it may negatively affect the board’s activities. The board should approve significant agreements/transactions with an affiliate.</p>

VI.B.5. *Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for monitoring risk, financial control, and compliance with the law.*

No.	Checklist	Yes	No	Reference to the relevant law
125.	Under the law, do the responsibilities of the board [in case of a two tier system, please specify if it is the responsibility of the management or supervisory board] include:			
	a.) ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 66 Section 2 of the AA specifies the conditions of independence of the company's auditor With regard to the listed companies only: III.1 GP 2008 – the supervisory board is obliged to prepare and present to the general shareholders' meeting a concise assessment of the company's situation with an assessment of the internal control system and system of risk management. III.6 GP 2008 – At least two members of the supervisory board should fulfill the criteria of the independence from the company and materially related entities.
	b.) ensuring that appropriate systems of control are in place, in particular, systems for monitoring risk, financial control, and compliance with the law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 4 Section 5 of the AA– responsibility of the executive for enforcement of the accountancy provisions. With regard to the listed companies only: III.1 GP 2008 – as above.

VI.B.6. *Monitoring the effectiveness of the governance practices under which it operates and making changes as needed.*

No.	Checklist	Yes	No	Reference to the relevant law
126.	Does the law require that the responsibilities of the board include functions such as monitoring the effectiveness of the governance practices under which it operates and making changes as needed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	With regard to the listed companies only: III.1 GP 2008 – supervisory board should made and present to the general shareholders' meeting a report on internal control and risk management. As the rule is voluntary, the answer to this question is negative.

VI.B.7. Overseeing the process of disclosure and communications.

No.	Checklist	Yes	No	Reference to the relevant law
127.	Does the law require that the responsibilities of the board include functions such as overseeing the process of disclosure and communications?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 382 – 384 of the CCC – general supervisory board competence and duties to oversee every aspect of the company’s activity. With regard to the listed companies only: I.1 – 2 GP 2008 – company is generally obliged to provide transparent and effective information policy and access to the information indispensable to the assessment of the company’s situation and prospects and the way of its functioning. II.1.13 GP 2008 – the process of disclosure and communication is independently related with the creation of the relevant website mentioned above.
128.	Does the law require the board to review the annual report prior to submission to the shareholders’ meeting for final approval?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 382 § 3 and Art. 395 § 4 of the CCC – duty of the supervisory board.
129.	Does the law require the board to make recommendations regarding issues to be voted on at the shareholders’ meetings?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	With regard to the listed companies only: III.1.3 –GP 2008– The supervisory board should to examine and provide an opinion on issues that are on the agenda of the general shareholders’ meeting. As the rule is voluntary, the answer to this question is negative.

VI.C. The board should be able to exercise objective judgment on corporate affairs independent, in particular, from management.

VI.C.1. Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are financial reporting, nomination of executive, board and auditors’ remuneration.

No.	Checklist	Yes	No	Reference to the relevant law
130.	Does the law require that the board include a sufficient number of non-executive and independent directors?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	With regard to the listed companies only: III.6 GP 2008 – at least two members of the supervisory board should fulfill the criteria of the independence from the company and materially related entities.

No.	Checklist	Yes	No	Reference to the relevant law
				As the rule is voluntary, the answer to this question is negative.
131.	Does the law determine board independence? <i>[If yes, please include the definition.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	With regard to the listed companies only: III.6 GP 2008 – as above. As the rule is voluntary, the answer to this question is negative.
132.	Does the law require the board (<i>management/supervisory – please specify</i>) to have separate committees for dealing with:			
	a.) Auditing and financial reporting?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	With reference to the supervisory board of the listed companies only: III.7 GP 2008 – it is required to establish at least one committee within the supervisory board, however this is not a provision of the commonly binding law (this provision is not included in the law but in the voluntary code).
	b.) Executive and board remuneration?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	c.) Board nominations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
	d.) Corporate governance (i.e., to oversee compliance with company governance standards)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	N/A.
133.	Are the board committees required to have a minimum number of non-executive board members or independent board members?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	III.7 GP 2008 – the audit committee of the supervisory board comprise of at least one independent member.

VI.C.2. Board members should devote sufficient time to their responsibilities.

No.	Checklist	Yes	No	Reference to the relevant law
134.	Are there limitations imposed by law as to the number of board directorships that a director can hold? <i>[Please specify.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Generally no limitation is imposed. With reference to the companies mentioned below certain limitations exist. Art. 4 Section 1 of the ARP – one person may be a member of the supervisory board only in one of the companies mentioned below: (i) single-shareholder companies established by the State Treasury or local government units; (ii) companies, in which the share of State Treasury exceeds 50% of the share capital or 50% of the number of shares; (iii) companies, in which the share of the local government exceeds

No.	Checklist	Yes	No	Reference to the relevant law
				(iv) 50% of the share capital or 50% of the number of shares; companies, in which share of the companies mentioned above exceeds 50% of the share capital or 50% of the number of shares.

This Assessment does not constitute legal advice. Readers are advised to seek appropriate legal advice before entering into any transaction, making any determination or taking any action related to matters discussed herein.

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