

Current report no. 10/2016

Date prepared: 24.02.2016

Issuer's abbreviated name: POLIMEX-MOSTOSTAL

Subject: Non-application of certain Corporate Governance Rules of Giełda Papierów Wartościowych S.A.

Legal basis: Article 56 (1) (1) of the Act on public offering – confidential information

The Management Board of Polimex-Mostostal S.A. having its registered office in Warsaw at al. Jana Pawła II 12 (hereinafter referred to as the 'Company'), acting pursuant to § 29 (3) of the Rules of Procedure of Giełda Papierów Wartościowych w Warszawie S.A. hereby informs that the Company has decided not to apply the following Corporate Governance Rules contained in 'Good Practices of Companies Listed at Warsaw Stock Exchange (WSE)', constituting an annex to Resolution no. 26/1413/2015 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. dated 13 October 2015 (hereinafter referred to as the '**Corporate Governance Rules**'):

I. Part I – Information Policy and communication with investors

1. Part I, paragraph I.Z.16 of the Corporate Governance Rules:

Content of the Rule:

'information pertaining to a planned broadcast of a general meeting – not later than within 7 days prior to the date of the general meeting'.

Justification:

The Company does not pursue the Rule due to the fact that they do not broadcast any general meetings. If the Company decides to apply any rules pertaining to the broadcast of general meetings, they will also consider application of the said Rule.

2. Part I, paragraph I.Z.19 of the Corporate Governance Rules:

Content of the Rule:

'stockholders' inquiries addressed at the Management Board pursuant to Article 428 § 1 or § 6 of the Polish Code of Commercial Companies, inclusive of the Management Board's answers to the inquiries, or detailed identification of reasons for a failure to provide such answers, pursuant to the rule of IV.Z.13'.

Justification:

The foregoing Rule is only pursued by the Company in the part and within the scope in which the Company runs its corporate website and updates it with information and stockholders' inquiries preceding the General Meeting, inclusive of answers to such inquiries, which are required under the law. The foregoing rule is not pursued with respect to updating the website with any stockholders' inquiries pertaining to the issues included in the agenda and put forward in the course of the General Meeting, inclusive of answers to such inquiries, as the Management Board of the Company does not record the course of the General Meeting. The Company updates its corporate website with draft resolutions prior to the General Meeting, followed by the texts of such resolutions adopted by the General Meeting.

3. Part I, paragraph I.Z.20 of the Corporate Governance Rules:

Content of the Rule:

'audio or video recording of the general meeting'.

Justification:

The Company does not anticipate audio or video recording of the course of the General Meeting and uploading of such recordings to its corporate website due to the costs related to it as well as due to its current experience in terms of organisation and course of general meetings which do not indicate such recordings are required.

II. Part IV – General Meeting and relations with stockholders

1. Part IV, paragraph IV.R.2 of the Corporate Governance Rules:

Content of the Rule:

'If justified given the structure of stockholders or stockholders' expectations notified to the Company, on condition that the Company is capable of ensuring technical infrastructure required to hold a general

meeting in an uninterrupted manner and with the use of means of electronic communication, the Company should enable its stockholders to participate in general meetings with the use of such means, in particular by means of:

- 1) broadcasting general meetings in real time;
- 2) ensuring two-way communication in real time, within the framework of which stockholders will be able to speak in the course of the general meeting while remaining at a location other than the location at which the general meeting is held'.

Justification:

The Company does not anticipate broadcasts of general meetings in real time as the structure of stockholders and current experience related to organisation of general meetings do not indicate such need. In the opinion of the Company, exercise of the right of vote with the use of means of electronic communication is yet to be generally popular and poses organisational and technical risks, for instance possible contesting of resolutions adopted due to some technical failures. As application of the aforementioned Corporate Governance Rules becomes more popular, the Management Board of the Company will consider implementation of it.

2. Part IV, paragraph IV.R.2 of the Corporate Governance Rules:

Content of the Rule:

'If justified given the structure of stockholders of the Company, the Company shall ensure generally accessible broadcasts of general meetings in real time'.

Justification:

Given the current experience in terms of organisation and course of general meetings as well as the structure of its stockholders, the Company is of the opinion that such broadcasts are not required. The Company does not rule out application of the foregoing Rule in the future, following provision of adequate technical capabilities and adequate investments in it.

Signatures of persons representing the Company:

Joanna Białas – Disclosure Requirements Fulfilment Coordinator