

# FINANCIAL SUPERVISORY COMMISSION

## Current Report No 48/2008

Date: 28 April 2008

Issuer's shortened name: KOPEX SA

**Subject: Information list according to the Resolution of Warsaw Stock Exchange Management Board**

### Report contents:

Management Board of KOPEX SA with registered seat in Katowice (the Issuer) referring to § 29 Cl. 5 of the Rules of the Warsaw Stock Exchange informs the public on the following information, according to Resolution No 1013/2007 of the Management Board of the Warsaw Stock Exchange dated 11 December 2007.

**a). List of the rules set forth in the “Best Practice Rules for WSE Listed Companies” adopted by Resolution No. 12/1170/2007 of the Supervisory Board of Warsaw Stock Exchange S.A., dated 4 July 2007 which the Issuer does not and will not comply with until abrogated.**

### **Section II- Best Practice for Management Boards of Listed Companies**

1. A company should operate a corporate website and publish:

#### Rule 1 clause 4

“The date and place of a General Meeting , its agenda and draft resolutions together with their legal basis as well as other available materials related to the company’s General Meetings, at least 14 days before the set date of the General Meeting”

*Company’s Comment:* The Issuer publishes draft resolutions with enclosures at least 8 days before the set date of the General Meeting which refers to § 39 clause 5 point 3, in accordance with § 97 clause 5 of the Ministry of Finance dated 19 October 2005 on current and periodic reports submitted by issuers of securities.

#### Rule 1 clause 6

“Annual reports on the activity of the Supervisory Board taking account of the work of its committees together with the evaluation of the work of the Supervisory Board and of the internal control system and the significant risk management system”

*Company’s Comment:* There are no committees operating within the Supervisory Board.

#### Rule 1 clause 7

“Shareholders’ questions on issues on the agenda submitted before and during a General Meeting together with answers to those questions”

*Company's Comment:* The Issuer will place on its website answers to the shareholders' questions submitted in writing on issues on the agenda.

Rule 1 clause 11

"information known to the Management Board based on a statement by a member of the supervisory board on any relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting"

*Company's Comment:* The Issuer informs the public on CV and career of a new member of the Issuer's Supervisory Board, and in the Issuer's opinion, this information is sufficient for judgement if the person appointed is capable of exercising his/her function.

Rule 2

"A company should publish its website in English, at least to the extent described in section II.

*Company's Comment:* The Issuer does not comply with this rule to the extent described in section II.

**Section III- Best Practice for the Supervisory Board Members**

Rule 2

"A member of the Supervisory Board should submit to the company's Management Board information on any relationship with a shareholder who holds shares representing not less than 5% of all votes at the General Meeting. This obligation concerns financial, family and other relationships which may affect the position of the member of the Supervisory Board on issues decided by the Supervisory Board"

*Company's Comment:* The Issuer informs the public on CV and career of a new member of the Issuer's Supervisory Board, and in the Issuer's opinion, this information is sufficient for judgement if the person appointed is capable of exercising his/her function.

Rule 6

"At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board. Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company, a subsidiary or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting"

*Company's Comment:* The Issuer's General Meeting of Shareholders elects a member of the Supervisory Board in accordance with regulations of the Commercial Companies Code and the Company's Statutes.

#### Rule 7

“The Supervisory Board should establish at least an audit committee. The committee should include at least one member independent of the company and entities with significant connections with the company, who has qualifications in accounting and finance. In companies where the Supervisory Board consists of the minimum number of members required by law, the tasks of the committee may be performed by the Supervisory Board.

*Company's Comment:* The Issuer is of the opinion that forming committees within the Supervisory Board is not justified. The Supervisory Board works and takes decisions on the issues within its competence jointly. Members of the Supervisory Board are persons of proper qualifications and competence in this field.

#### Rule 8

“Annex I to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors (...) should apply to the tasks and the operation of the committees of the supervisory Board.

*Company's Comment:* The Issuer is of the opinion that forming committees within the Supervisory Board is not justified. The Supervisory Board works and takes decisions on the issues within its competence jointly. Members of the Supervisory Board are persons of proper qualifications and competence in this field.

**b) Proceeding of the General Meeting of Shareholders and its basic authorizations are defined in the Rules of the General Meeting of Shareholders adopted by Resolution No3. of KOPEX SA Extraordinary Meeting of Shareholders dated 31 August 2008 ( in enclosure).**

**c) Information on the managing and supervisory bodies of the company.**

Composition of KOPEX SA Management Board on 28 April 2008:

1. Tadeusz Soroka – Chairman of the Management Board
2. Krzysztof Jedrzejewski- Vice-Chairman of the Management Board
3. Joanna Parzych- Vice-Chairman of the Management Board

Composition of KOPEX SA Supervisory Board on 28 April 2008:

1. Leszek Jedrzejewski - Chairman of the Supervisory Board
2. Marzena Misiuna- Member of the Supervisory Board
3. Adam Kalkusinski - Member of the Supervisory Board
4. Iwona Bajda - Member of the Supervisory Board
5. Stanislaw Bargiel - Member of the Supervisory Board

The managing and supervisory bodies of KOPEX SA operate basing on the following Rules resolved and approved:

- the Rules of KOPEX SA Management Board approved by Resolution No 140/V/2006 of KOPEX SA Supervisory Board, dated 30 November 2006, (in enclosure).
- the Rules of KOPEX SA Supervisory Board approved by Resolution No 149/V/2007 of KOPEX SA Supervisory Board, dated 21 March 2007, (in enclosure).

KOPEX SA Supervisory Board does not form any committees, according to rules of corporate orderliness, accepted by the Company.

**d) Internal control system linked with accounting system of the company**

There is an operating control in the company that bases of the internal control rules and the following instructions on:

- making, circulation and inspection of financial accounting documents
- stock –taking
- cash desk
- receivables vindication

The internal control system is supported by observing procedures of ISO system implemented to the company and by accomplishment of internal audits in all the company's units; twice a year in most of them. The following certifying institutions issued their certificates to KOPEX SA:

- TUV NORD Polska Sp. z o. o.- according to PN-EN ISO 9001 Standard
- Zakład Systemów Jakości i Zarządzania MON in compliance with NATO's AQAP 2110.
- Polskie Centrum Badan i Certyfikacji S.A. in compliance with ISO and Internal Control System (WSK) criteria.

In 2007 the institutions in question carried out supervisory audits in KOPEX SA confirming proper observance of the standards and quality management systems in the company and taking up tasks to their further improvement. There is a division of duties on delegation, accomplishment and registration of economic operations in the company. Internal control system ensures their monitoring, making correct documentation in the fields of: purchase, invoice payment, sale, receivables proceeds, cost calculation system, product pricing, salaries, remaining costs and income. Accounting documents are checked by the accountants in essence and formally. Internal control in the company is focused on assuring observance of correct circulation and documentation of economic processes, as well as their correct accounting.