



**REPRESENTATION**

ON THE APPLICATION OF CORPORATE GOVERNANCE PRINCIPLES

**IN HELIO S.A. COMPANY IN THE BUSINESS YEAR 2011/2012**

from 1 July 2011 to 30 June 2012

In the financial year 2011/2012 lasting from 1 July 2011 to 30 June 2012, the Issuer was subject to the principles of corporate governance contained in the "Code of Best Practice for WSE Listed Companies". In connection with the changes in the document in question made by the Supervisory Board of the Warsaw Stock Exchange, its current (effective from 1 January 2012) consolidated text is attached to Resolution No. 20/1287/2011 of 19 October 2011 of the Warsaw Stock Exchange Board, while the text of document in effect until 31/12/2011 was attached to Resolution No. 12/1170/2007 of 4 July 2007 of the Warsaw Stock Exchange Board, as amended.

Full text of the these principles is publicly available on the official website of Warsaw Stock Exchange dedicated to the issue of corporate governance of companies listed on the Main Market of the Exchange ([www.corp-gov.gpw.pl](http://www.corp-gov.gpw.pl)).

### **1. Indication of corporate governance principles from which the Issuer departed, along with an explanation of the reasons for the departure**

In the financial year 2011/2012 the Company observed all the principles of corporate governance included in the current "Code of Best Practice for WSE Listed Companies," except:

a) fragmentary departure from Rule I.1:

*"A company should pursue a transparent and effective information policy using both traditional methods and modern technologies and latest communication tools ensuring fast, secure and effective access to information. Using such methods to the broadest extent possible, a company should in particular:*

- maintain a company website whose scope and method of presentation should be based on the model investor relations service available at <http://naszmodel.gpw.pl/>;*
- ensure adequate communication with investors and analysts, and use to this purpose also modern methods of Internet communication;*
- enable on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on the company website."*

In the financial year 2011/2012 the Company pursued a transparent and effective information policy, properly maintained its website connected to investor relations, and took active steps within the field of investor relations within the Liquidity Support Program, and ensured proper communication with investors and analysts in accordance with the expectations reported by them and taking into account its organisational capabilities. Nonetheless, the Issuer departed from the rule of enabling on-line broadcasts of General Meetings over the Internet, recording General Meetings, and publishing these recordings on the company website. This departure was justified by the will to reduce the costs associated with such transmissions, which – due to the size and nature of the Company – were found to be disproportionately high relative to their purpose. The Company is not planning to organise such transmissions in the nearest future.

b) departure from Rule I.10 (effective from 01/01/2012):

*"If a company supports different forms or artistic and cultural expression, sport activities, educational or scientific activities, and considers its activity in this area to be a part of its business mission and development strategy, impacting the innovativeness and competitiveness of the enterprise, it is good practice to publish, in a mode adopted by the company, the rules of its activity in this area."*

The Company, as part of its operations, offers various forms of support in the above-mentioned scope, but they are not systemic in nature. Therefore the Company declined to publish the rules in question.

c) fragmentary departure from Rule I.11 (effective from 01/01/2012):

*"As part of a listed company's due care for the adequate quality of reporting practice, the company should take a position, expressed in a communication published on its website, unless the company considers other measures to be more adequate, wherever with regard to the company:*

*- published information is untrue or partly untrue from the beginning or at a later time;*

*- publicly expressed opinions are not based on material objective grounds from the beginning or as a result of later circumstances.*

*This rule concerns opinions and information expressed publicly by company representatives in the broad sense or by other persons whose statements may have an opinion-making effect, whether such information or opinions contain suggestions advantageous or disadvantageous to the company."*

In the financial year 2011/2012 the Company pursued a transparent and effective information policy, properly maintained its website connected to investor relations, and took active steps within the field of investor relations within the Liquidity Support Program, and ensured proper communication with investors, analysts and journalists in accordance with the expectations reported by them and taking into account its organisational capabilities. As part of their operations, the Company attempts to monitor the information published in the media about itself on an ongoing basis, and pursues an appropriate investor and press communication policy. Nonetheless, due to organisational and financial reasons, the Company does not conduct constant monitoring of all media and other investor communications channels, including, for example, anonymous Internet forums, and thus cannot address the issues raised there in a systemic way. It should be noted that the Company comments on all material events on its website, which ensures adequate quality of information governance.

d) departure from Rule I.12 (effective from 01/01/2012):

*"A company should enable its shareholders to participate in a General Meeting using electronic communication means through:*

*1) real-life broadcast of General Meetings;*

*2) real-time bilateral communication where shareholders may take the floor during a General Meeting from a location other than the General Meeting;*

*3) exercise their right to vote during a General Meeting either in person or through a plenipotentiary."*

No General Meetings of HELIO S.A. took place while this rule was in effect. However, it should be noted that the Company is not planning to adopt this rule. The costs of implementing it were found to be disproportionately high relative to their purpose due to the size and nature of the Company.

## **2. The manner of functioning of General Meeting of Shareholders and its basic rights, and a description of the rights of shareholders and the manner of their execution, in particular the principles arising from the regulations of the General Meeting of Shareholders, if such regulations have been passed and are not a direct result of existing law**

The General Meeting of Shareholders is the most important corporate body of the Company. The General Meeting of Shareholders acts on the basis of the binding law regulations, especially the Commercial Companies Code. The Rules of the General Meeting of Shareholders define in detail the manner of functioning of the General Meeting of Shareholders of HELIO S.A. and its rights are defined in the Statutes of the Company. Both documents are available at the Company's corporate website: [www.helio.pl](http://www.helio.pl) in investor relations section.

Apart from the issues defined in the unconditionally binding law regulations, the main powers of the General Meeting of Shareholders comprise of:

- a) appointment and dismissal of the members of the Supervisory Board,
- b) establishing the number of members of the Supervisory Board,
- c) approval of the Rules of the Supervisory Board,
- d) establishing the rules of remuneration of the members of the Supervisory Board,
- e) establishing the amount of remuneration for the members of the Supervisory Board, delegated to perform constant, individual supervision.

A particular element that is excluded from the supervision of the General Meeting of Shareholders is giving consent to purchase and sell real estates, perpetual usufruct or the share in the aforementioned rights to real estates. The aforementioned actions, in accordance with the Statutes of the Company do not require the consent of the General Meeting of Shareholders, but of the Supervisory Board.

The General Meeting of Shareholders is held in the Company's seat or in Warsaw. Organizational and technical actions connected with the General Meetings of Shareholders are for the Company's Management Board responsibility.

Convention of the General Meeting of Shareholders by entities authorized in compliance with the regulations and establishing the agenda are executed pursuant to the regulations included in the Commercial Companies Code. A request for convention of the Extraordinary Shareholders' Meeting is to be submitted to the Company's Management Board in writing or in electronic form. A convention should be justified and clearly define issues put on the agenda. If the General Meeting of Shareholders is summoned Meeting the Supervisory Board or by the shareholders authorized, it is immediately to notify the Company's Management Board, submitting, in writing or in an electronic form, a suitable resolution/ statement on convention, the meeting's agenda, drafts of resolutions including justification, and in case the meeting is summoned by the

shareholders, documents proving authorization to convene. The Management Board, without delay, shall provide the required announcements. The General Meeting of Shareholders can be withdrawn, if there are any extraordinary obstacles to hold the meeting, or its convention is just aimless. Withdrawal or a change of term of the General Meeting of Shareholders shall happen in a way relevant to summon. Withdrawal of the General Meeting of Shareholders, on which agenda certain issues are put on it for a request of the authorized persons, or which meeting was summoned for the referred request, shall be opportune merely for the referred applicants' consent.

The Ordinary General Meeting of Shareholders is held within six months from the end of each business year. Due to an uncharacteristic financial period of the Company, the Ordinary General Meeting of Shareholders is usually held in December. The General Meetings of Shareholders are held in the registered office of the Company or in Warsaw. The Management Board indicates a place to hold the General Meeting of Shareholders. The Management Board making decision on a date and a place to hold the General Meeting of Shareholders, shall respect to facilitate the Shareholders attendance at the General Meeting of Shareholders.

A demand for putting issues on the agenda by persons authorized and drafts of resolutions shall be submitted to the Company's Management Board in writing or in an electronic form, including justification. At the General Meeting of Shareholders each of the Shareholders can submit drafts of resolutions relating to the issues put on the agenda. Drafts of resolutions as well as motions conducting to alterations in drafts of the referred resolutions, submitted in duration of the General Meeting of Shareholders shall be formulated in writing and justified in a way enabling the shareholders to make a decision covering reasonable recognition. Drafts of resolutions submitted to the General Meeting of Shareholders by the Management Board shall be given an opinion by the Supervisory Board, if the Supervisory Board judges it necessary. Resolutions relating to organizational and formal nature as well as resolutions, which are typical ones adopted in the course of debate of the General Meeting of Shareholders shall not require justification. Candidates to the Supervisory Board shall be raised in writing form by the shareholders participating in the debate in the course of the General Meeting of Shareholders, as well as before the General Meeting of Shareholders, in writing form or in an electronic form – by the shareholders authorized to raise drafts of resolutions subject to debate. Nominations shall be raised; however candidates shall submit the Chairman of the General Meeting of Shareholders a statement in writing on giving a consent and meeting the requirements set forth in Art.18 of Commercial Companies Code.

The General Meeting of Shareholders is valid regardless of the number of shares represented, with reservation of the unconditionally binding law regulations. The Shareholders may participate in the General Meeting of Shareholders and vote in person or through their representatives. Power of attorney to participate in the General Meeting of Shareholders and exercise the right to vote shall require granting in writing or in an electronic form as well as an adequate documentary proof. In case power of attorney is granted in an electronic form, notification to the Company shall be at the very latest two hours before commencement of the debate. Obligatory, a power of attorney in an electronic form shall be accompanied with a document proving authorization of a particular shareholder to participate in the General Meeting of Shareholders, a return contact to the

shareholder enabling verification of power of attorney, i.e. an actual e-mail address and a telephone number, and with regard to legal persons, as well as an excerpt from the register, in which a particular shareholder is entered into the register. Documents in foreign languages shall be submitted including an authenticated translation.

Breaks in debates exceeding "short technical breaks" shall be ordered by a resolution of 2/3 votes majority. The total breaks cannot be longer than 30 days. Until now no breaks in the meetings of the General Meeting of Shareholders were recorded.

All indispensable materials concerning the General Meeting of Shareholders, especially information about the dates and places of the meetings of the General Meeting of Shareholders, the agenda and projects of resolutions are published at the corporate website [www.helio.pl](http://www.helio.pl) in terms set forth by the common law regulations in force as well as rules of corporate governance principles.

Anywhere, the Commercial Companies Code, Statutes or Regulations of the General Meeting of Shareholders say about "submitting a document by "an electronic way" or about "an electronic form" of a document, it shall be construed as submitting of a scan of a document original separately formulated, signed by persons provided with full powers, prepared in PDF format. Electronic contact with the Company shall be with use of the e-mail address: [wz@helio.pl](mailto:wz@helio.pl). Documents in foreign languages submitted to the Company by "the electronic way" shall be submitted including an authenticated translation. The risk connected with use of means of electronic communication in contacts with the Company shall be at the shareholder side.

The provisions included in the Regulations of the General Meeting of Shareholders shall not enable participation in the General Meeting of Shareholders with use of means of electronic communications in construing of Art.406<sup>5</sup> of the Commercial Companies Code as well as exercising votes by corresponding way.

### **3. Composition, changes and the rules of operation of the managing and supervising corporate bodies of the Issuer and their committees**

#### Supervisory Board

The Supervisory Board consists of five to seven members appointed for a joint term of 5 years. Members of the Supervisory Board are appointed and dismissed by the General Meeting of the Company. The first term of the Supervisory Board was appointed the at the time of the restructuring into a joint-stock company adopted by resolution of the Shareholders Meeting of the company, restructured on 18 July 2006; the term of the first Supervisory Board expired on 25 August 2011, and their mandates expired on the date of approval by the Annual General Meeting of the financial statements for the financial year 2010/2011, i.e. on 16/12/2011, at that time the Annual General Meeting of HELIO SA also appointed new members of the Board of HELIO S.A. for a second five-year term. On 10 March 2012, at the first meeting of Supervisory Board's second term, from

among its members Mr. Jacek Kosiński was appointed Chairman of the Board and Mr. Adam Wąsowicz was appointed Deputy Chairman of the Supervisory Board.

The composition of the Supervisory Board in the financial year 2011/2012 was as thus:

<b>Full name:</b>	<b>Function</b>	<b>Term of office in the financial year 2011/2012</b>
Jacek Kosiński	Chairman of the Supervisory Board	until 16/12/2011
	Member of the Supervisory Board	from 16/12/2011 until 10/03/2012
	Chairman of the Supervisory Board	from 10/03/2012
Adam Wąsowicz	Deputy Chairman of the Supervisory Board	until 16/12/2011
	Member of the Supervisory Board	from 16/12/2011 until 10/03/2012
	Deputy Chairman of the Supervisory Board	from 10/03/2012
Irena Gałan-Stelmaszczuk	Member of the Supervisory Board	whole year 2011/2012
Magdalena Kačka	Member of the Supervisory Board	until 16/12/2011
Grzegorz Kowalik	Member of the Supervisory Board	from 16/12/2011
Radosław Turski	Member of the Supervisory Board	whole year 2011/2012

Pursuant to the Code of Best Practice for WSE Listed Companies, the following members met the independence criterion in the financial year 2011/2012: Magdalena Kačka, Jacek Kosiński and Radosław Turski.

The Supervisory Board acts on the basis of the Statutes of the Company and the Rules approved by the General Meeting of Shareholders. The Members of the Supervisory Board execute their duties in person. The Resolutions of the Supervisory Board are passed by an absolute majority of votes. In case of an equal number of votes, the Chairman of the Supervisory Board has the casting vote.

The Supervisory Board adopts resolutions if at least half of its members are present at the meeting, and all its members were properly invited. The meetings of the Supervisory Board may take place also without a formal convene if all members of the Supervisory Board are present and agree to hold the meeting and place particular issues on the meeting agenda. The Supervisory Board shall be convened each and every time it is deemed necessary, in compliance with commonly law regulations in force. Until now, all members of the Supervisory Board have participated in all meetings of the Supervisory Board.

The meeting of the Supervisory Board is convened by the Chairman of the Supervisory Board by his/her own initiative, at a proposal of one of the members of the Supervisory Board or at a proposal of the Management Board. The meeting of the Supervisory Board shall take place within two weeks from the date of the submission of a proposal by an authorized entity. Apart from the

members of the Supervisory Board, the members of the Management Board with an advisory voice may participate in the meetings of the Supervisory Board, except for this part of the meeting, during which the issues concerning the Management Board or directly the members of the Management Board are discussed, especially concerning the appointment and dismissal of the members of the Management Board, assessment of their work, their liability, determining the remuneration of the Management Board and agreements and disputes between the members of the Management Board and the Company. Moreover, persons invited by the members of the Supervisory Board may also participate in the meetings of the Supervisory Board.

The Members of the Supervisory Board may participate in adopting resolutions of the Supervisory Board by casting a vote in writing by another member of the Supervisory Board. Casting a vote in writing may not concern the issues placed on the agenda during the meeting of the Supervisory Board. The members of the Supervisory Board may also adopt resolutions in writing (in circulation) or by the means of a direct method of communication over a distance. The resolution adopted in circulating mode is valid, if all members of the Supervisory Board have been informed about the contents of its project.

The Supervisory Board performs constant supervision of the activities of the Company. The rights of the Supervisory Board include:

- a) appointment and dismissal of the members of the Management Board, including the President of the Management Board, except for the first Management Board appointed by the General Meeting of Shareholders of the transformed company,
- b) establishing the number of members of the Management Board
- c) establishing the rules of remuneration of the members of the Management Board and the terms of their employment,
- d) assessment of financial statements of the Company, of the Management Board's report concerning the activities of the Company for the previous business year in relation to their compliance with the ledgers and documents and with the actual status, and of proposals of the Management Board regarding the distribution of the profits and loss coverage, and also submitting to the General Meeting of Shareholders, annual reports on the results of the audit,
- e) submission of proposals to the General Meeting of Shareholders on granting the exoneration to the members of the Management Board of the Company,
- f) appointment of an expert auditor for auditing the financial statement of the Company,
- g) approval of the Regulations of the Management Board,
- h) consent to purchase and sell real estates, perpetual usufruct or share in the aforementioned rights to real estates,
- i) consent to make a prepayment for the shareholders of the expected dividend for the end of the business year, provided the Company has sufficient assets for the payment,
- j) examination of the issues and proposals submitted by the Management Board,
- k) suspension from duties of an individual member or all members of the Management Board and delegation of the members of the Supervisory Board for the period not longer than 3 (three) months for temporal execution of actions of those members of the Management Board, who



have been dismissed, put forward a resignation or cannot exercise their duties for various reasons.

Due to the relative small size of the company and in view of the fact that the Supervisory Board is composed of the minimum number of members required by law, at present no committee has been appointed within the Board. The tasks of the audit committee were assigned to the Supervisory Board, which was reflected in in the relevant resolution of the Annual General Meeting of HELIO S.A. of 16/12/2011.

Detailed rules concerning the meetings of the Supervisory Board, its composition, organization of work and adoption of resolutions by the Supervisory Board are included in the Regulations of the Supervisory Board of HELIO S.A. that is available at the Company's corporate website: [www.helio.pl](http://www.helio.pl) in investor relations section.

### Management Board

The Management Board is a statutory body which under the leadership of the President conducts the business of the Company and acts on its behalf on the basis of the Commercial Companies Code, the Articles of Association, the resolutions of the General Assembly, as well as other internal Company regulations. The Management Board is a permanent body managing the Company and representing it before third parties in all matters not reserved to the General Meeting and the Supervisory Board. Any member of the Board and legal representative thereof is entitled to make declarations of intent.

All members of the Management Board are appointed for a joint term of 5 years. The current members of the Management Board are in office since 25 August 2006 that is since the restructuring into a joint - stock company. After that term no changes in the Board occurred. The members were appointed for the second term by the Supervisory Board of HELIO S.A. on 4 June 2011. The second term lasts from 26 August 2011 until 26 August 2016. The mandate of the member of the Board shall expire on the date of approval of the financial statements for the year ended 30 June 2016 by the General Assembly.

As of 30 June 2012, the Management Board consisted of the following persons:

1. Leszek Wąsowicz – President of the Management Board,
2. Justyna Wąsowicz – Vice-President of the Management Board.

Pursuant to the Statutes of the Company, the members of the Management Board are appointed and dismissed by the Supervisory Board, subject to the principle that the members of the Management Board of the first term of office were appointed during the transformation of the legal form of the Company by the General Meeting of Shareholders of the transformed company. The Management Board of the Company is composed of one to three members. At appointing the members of the Management Board, the Supervisory Board establishes the number of members of the Management Board and the functions that an appointed person shall perform in the Management Board of the Company. Members of the Management Board are appointed for a joint five-year term of office.

Meetings of the Management Board are held appropriately to needs, on currently set dates, on the basis of a notice submitted within an appropriate period prior to the assumed meeting. Moreover, the President of the Management Board is obliged to convene a meeting of the Management Board for a written request of the Supervisory Board or of at least one member of the Management Board. In such case, the meeting of the Management Board shall take place, at the very latest, within seven days from the date of submission of a written request to the President of the Management Board. At its meetings, the Management Board discusses the current issues of the Company, at the same time issues which require adopting decisions in the form of a resolution of the Management Board are particularly dealt with. Participation of the members of the Management Board in the meeting is obligatory, and their absence shall be appropriately justified. The resolutions of the Management Board are passed by an absolute majority of votes, whereas in case of an equal number of votes the President of the Management Board has the casting vote.

The Management Board performs the function of a superior to managers of individual departments and organizational units. In case of any doubts, it is accepted that the President of the Management Board is the superior to an employee. Assignment of organizational units to individual members of the Management Board does not infringe the responsibility of the members of the Management Board defined in the Statutes of the Company, the Commercial Companies Code or other law regulations. The Management Board may entrust individual members of the Management Board with accomplishment or supervision over issues which are included in the competences of the Management Board in a strictly determined scope.

Detailed scope of rights and duties of the Management Board as well as a mode of its functioning is laid down in the Regulations of the Management Board available at the Company's corporate website: [www.helio.pl](http://www.helio.pl) in investor relations section.

#### **4. Description of fundamental features of the internal control system and the risk management system applied in the Issuer's enterprise, including the manner of preparing the financial statements**

As a part of the internal control and risk management with reference to the preparation of financial statements, each employee within the Company has an established scope of responsibilities and appropriate procedures.

The aforementioned internal regulations systematize, among other things, the manner of preparing and circulating financial information and the process of providing crucial information for executing the aforementioned work. Moreover, the regulations define the scope of responsibilities for individual persons/organizational sections during the preparation of financial statements at the end of each month, preparation of individual parts of the interim report and publicizing them, and also the procedures of access to information.

The accounting principles applied when preparing the financial statement are pursuant to the Accounting Act of 29 September 1994 (as amended).

The Management Board is responsible for the internal control system, risk management and the correctness of reporting within the preparation of financial statements and interim reports prepared and published in accordance with the binding regulations. Owing to the fact that the Company has its ledgers in a computer system, access to the database is limited by appropriate rights of authorized employees.

In the process of preparing financial statements of the Company one of the key control elements is the verification of the financial statement by an independent expert auditor. The Company recommends in particular: a review of the half year financial statement and a review of the individual annual report. A change (choice) of an entity authorized to audit financial reports is carried out in the Company in a manner pursuant to the commonly binding regulations of the law. By virtue of § 16, sec. 3, item 5 of the Statutes of the Company, a choice of an auditor is carried out by the Supervisory Board of the Company. The Company has not introduced supplementary internal regulations with regard to the referred scope, but pursuant to the Regulations of the Supervisory Board of the Company, the Supervisory Board makes a choice of an entity authorized to examine financial reports in a way to ensure the auditor's independency at fulfilment of tasks entrusted to such auditor. A person rendering services of an auditor shall make a declaration to the Company on complying with statutory criteria of fairness and independency. Furthermore, pursuant to the Regulations of the Supervisory Board, the Supervisory Board's member should consider the Company's interest, thus at choosing an entity authorized to examine financial reports, such member should consider any aspects of cooperation with an auditor, including first of all the experience, time availability, supplementary consultancy within a scope of holding accounting books, complexity of services, price availability, as well as location nearness.

#### **5. Listing of shareholders owning, directly or indirectly, significant blocks of shares with a listing of the number of shares owned by the said entities, their percentage ownership of the share capital, the number of votes arising from these shares and their percentage of the total number of votes at the General Meeting of Shareholders**

As of the end of the business year, i.e. 30 June 2012, to the Management of Board of HELIO S.A. knowledge, the structure of shareholders owing above 5 % votes at the General Meeting of Shareholders of the Issuer, was as follows:

*Table 1: Structure of the shareholders owing above 5% of votes at the General Meeting of Shareholders (as of 30.06.2012)*

Shareholder	Number of shares	% in share capital	Number of votes at General Meeting of Shareholders	% share in total number of votes at General Meeting of Shareholders
<b>Leszek Wąsowicz</b>	<b>3 857 000</b>	<b>77.14</b>	<b>3 857 000</b>	<b>77.14</b>

Source: The Management Board of HELIO S.A.

**6. Indication of holders of any securities that grant special rights of control, including description of such rights**

Such holders do not appear.

**7. Listing of all restrictions on voting rights, such as restrictions on the execution of voting rights by a shareholder of a defined part or amount of votes, time-related restrictions on the execution of voting rights or subscriptions, in accordance with which, in cooperation with the company, equity rights related to securities are separated from the ownership of securities**

The restrictions do not appear.

**8. Listing of all restrictions on the transfer of ownership rights to securities of the Issuer**

To the Management of Board knowledge, any restrictions on the transfer of ownership rights to the Company's shares have not been established, excluding the commitment made by Mr. Leszek Wařowicz, President of the Management Board of HELIO S.A., that in a period of binding the agreements for loans concluded with Bank BPH S.A., i.e. up to 30.09.2013, in the structure of the Issuer's property, the holding of Mr. Leszek Wařowicz's shares in the ownership rights of the Issuer shall not drop below 50% + 1 share.

**9. Description of principles respecting the appointment and dismissal of management personnel and their rights, in particular the right to decide on the issuance or buyback of shares**Principles respecting the appointment and dismissal of management personnel:

By virtue of §10 of the Statutes of the Company Members of the Management Board are appointed and dismissed by the Supervisory Board, subject to the principle that the members of the Management Board of the first term of office were appointed during the transformation of the legal form of the Company by the General Meeting of Shareholders of the transformed company. The Management Board is composed from one to three members. At appointing the members of the Management Board, the Supervisory Board establishes the number of members of the Management Board and the functions that an appointed person shall perform in the Management Board of the Company. Members of the Management Board are appointed for a joint term of office. The term of office of the Management Board is five years.

Powers of management personnel, in particular to decide on the issuance or buyback of shares:

The Management Board of HELIO S.A. has not been granted any special powers excluding the ones resulting from the Commercial Companies Code

**10. Description of principles respecting changes in the Statutes of the Issuer**

A change in the Statutes is carried out in the Company in a manner corresponding to commonly binding regulations of the law and requires the Resolution of the General Meeting of Shareholders of HELIO S.A. Pursuant to the Regulations of the General Meeting of Shareholders, motions/applications relating to inserting particular issues (including also a change of the Statute) as well as content of appropriate drafts of resolutions are decided for initiative of the authority or authorized persons, convening the General Meeting of Shareholders, and person authorized to announce the referred demand. A request to put issues on the agenda by authorized persons as well as drafts of resolutions should be submitted to the Company's Management Board in writing or in an electronic form including justification. Drafts of resolutions submitted to the General Meeting of Shareholders by the Management Board should be given an opinion by the Supervisory Board, if the Supervisory Board recognizes as advisable. In the course of the General Meeting of Shareholders, each of the Shareholders authorized to participate in the General Meeting of Shareholders can announce drafts of resolutions relating to issues put on the agenda.

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Leszek Wąsowicz  
President of the Management Board

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Justyna Wąsowicz  
Vice-President of the Management  
Board