



STARWARD INDUSTRIES

STATEMENT OF STARWARD INDUSTRIES S.A.

INFORMATION ON APPLICATION OF CORPORATE GOVERNANCE
PRINCIPLES SPECIFIED IN THE DOCUMENT
“BEST PRACTICES OF NEWCONNECT-LISTED COMPANIES”

“Best Practices of NewConnect-Listed Companies”

STATEMENT OF STARWARD INDUSTRIES SA

REGARDING COMPANY COMPLIANCE WITH THE PRINCIPLES SET OUT IN APPENDIX NO. 1 TO RESOLUTION NO. 795/2008 OF THE WARSAW STOCK EXCHANGE MANAGEMENT BOARD OF OCTOBER 31, 2008 *“BEST PRACTICES OF NEWCONNECT-LISTED COMPANIES”*; AMENDED ON MARCH 31, 2010 BY RESOLUTION NO. 293/2010 OF THE MANAGEMENT BOARD OF THE WARSAW STOCK EXCHANGE *“BEST PRACTICES OF NEWCONNECT-LISTED COMPANIES”*.

INFORMATION POLICY PRINCIPLES DEFINED IN THE DOCUMENT “BEST PRACTICES OF NEWCONNECT-LISTED COMPANIES”	APPLICATION OF A SPECIFIC PRACTICE IN THE ISSUER’S INFORMATION POLICY
<p>1. The Company should pursue a transparent and effective information policy, using both traditional methods and the latest communication tools to ensure speed, security, as well as broad and interactive access to information. By using such methods to the largest possible extent, the Company should ensure adequate communication with investors and analysts, including through the use of modern Internet communication methods to allow broadcasting General Meetings of Shareholders over the Internet, recording General Meetings of Shareholders, as well as publishing such recordings on the website.</p>	<p>YES, with the partial exclusion of broadcasting, recording and publicizing the proceedings of the General Meeting on the website, and the fact that the Issuer does not provide publicly available real-time transmission of the proceedings of the General Meeting; however, with respect to the last two Annual General Meetings, the Issuer provided the possibility of voting by means of direct remote communication and real-time transmission of the proceedings for this purpose, accessible to registered shareholders. In the case of the last Extraordinary General Meeting, the Company did not provide "remote" access or transmission. In any event, the Company did not post a recording of the broadcast of the meeting on its website. The Company would like to maintain the practice followed in the case of the Annual General Meeting for all General Meetings in the future. In the Company's opinion, conducting a broadcast for those eligible to vote instead of a general broadcast simultaneously ensures full protection of the interests of shareholders and the privacy of those attending the General Meeting.</p>
<p>2. The Company should ensure effective access to information necessary to assess the company’s current situation and prospects as well as the way it operates.</p>	<p>YES</p>
<p>3. The company operates a corporate website and publishes the following information there:</p>	<p>–</p>
<p>3.1 basic information about the company and its activities (homepage);</p>	<p>YES</p>

3.2. description of the Issuer's activities, specifying the type of activity from which the issuer generates the most revenue;	YES
3.3. description of the market on which the Issuer operates, including the Issuer's position on that market;	NO
3.4. professional CVs of the members of the company's governing bodies;	YES
3.5. information known to the Management Board about any relationship between a member of the Supervisory Board and any shareholder holding shares representing no less than 5% of the total votes at the Company's General Meeting;	YES
3.6. corporate documents of the Company;	YES
3.7. Company's outline strategic plans;	YES
3.8. published financial performance forecasts for the current financial year, including the assumptions underlying these forecasts and revisions to these forecasts (if the Issuer publishes such forecasts);	<p>NO. The Issuer prepares financial performance forecasts for the current financial year for internal purposes only. However, the Issuer has not published and does not intend to publish financial forecasts because of the specific nature of the industry in which the Company operates and the impact of many factors on the financial performance achieved by the Issuer.</p> <p>The Issuer does not rule out changing this position in the future. If the forecasts are published, they will be posted on the Company's corporate website together with the assumptions (and revisions).</p>
3.9. the Issuer's shareholding structure, indicating the main shareholders and free-float shares;	YES
3.10. data and contact details of the person responsible in the Company for investor and media relations;	YES
3.11 <i>deleted</i>	-
3.12. published current and periodic reports;	YES
3.13. time-line of scheduled publication dates for periodic financial reports, dates of general meetings, as well as dates for meetings with investors and analysts and press conferences;	YES
3.14. information on corporate events, such as the payment of dividends, and other events leading to the acquisition or limitation of shareholder rights, including the timing and mode of such operations; this information should be posted in time for investors to make their investment decisions;	YES

3.15 <i>deleted</i>	-
3.16. shareholders' questions asked before or during the Annual General Meeting about points of the agenda, together with answers to these questions;	YES, the Company may publish answers to selected questions about points on the agenda, which the Company believes to have relevance to the meeting and/or resolutions adopted by the General Meeting (unless otherwise provided for in the applicable law).
3.17. information on the cancellation of the Annual General Meeting, a change in the date or the agenda and an explanation of the reasons;	YES
3.18. information on the pause in the Annual General Meeting and an explanation of the reasons;	YES
3.19. information on the entity with which the company has signed a contract for the delivery of Authorized Advisory services, specifying the name, website address, telephone numbers and e-mail address of such Advisor;	YES
3.20. Information on the entity acting as the Issuer's market maker;	YES
3.21. the Company's information document (prospectus), published within the last 12 months;	YES
3.22 <i>deleted</i>	-
4. The Company operates a corporate website in Polish and in English; current and periodic reports should be posted on the website at least in the same language as that in which they are published, in line with the Issuer's regulations.	YES
5. The Company should have in place an information policy with particular emphasis on individual investors' needs. For this purpose, the Company should – in addition to its corporate business – also run a website section dedicated to relations with individual investors at www.GPWInfoStrefa.pl	<p>YES to all except using an investor relations section on the website www.GPWInfoStrefa.pl.</p> <p>The company intends to pursue an information policy that gives consideration to the needs of individual investors. The company runs its own website with a separate investor relations section. The Company believes that such a solution allows for better communication with individual investors due to the greater customization possibilities of the information provided.</p> <p>All important information about the Company is published in the form of current and periodic reports (ESPI and EBI systems) and posted on the Company's website.</p>
6. The Issuer should maintain on-going contacts with representatives of the Authorized Advisor in order to enable them to properly execute their	YES

obligations towards the Issuer. The Company should appoint a person responsible for contacts with the Authorized Advisor.	
7. If an event occurs in the Company which, in the Issuer's opinion, is relevant to the performance of the Authorized Advisor's obligations, the Issuer will immediately notify the Authorized Advisor thereof.	YES
8. The Issuer should provide the Authorized Advisor with access to all documents and information necessary to perform the obligations of the Authorized Advisor.	YES
9. In the annual report, the Issuer provides:	-
9.1. information on the total amount of remuneration to all members of the Management Board and Supervisory Board;	YES
9.2. information on the remuneration that the Authorized Advisor receives from the Issuer for providing services to the Issuer, whatever their scope.	NO. The remuneration of the Authorized Advisor is covered by a trade secret and not disclosed to the public.
10. Annual General Meetings should be attended by members of the Management and Supervisory Boards in the number that allows them to respond adequately to questions asked in the course of proceedings.	YES
11. At least twice a year, the Issuer should work together with the Authorized Advisor to organize a publicly available meeting with investors, analysts and the media.	NO. The Company is planning to organize a publicly available meeting with investors, analysts and the media at least once a year.
12. A resolution of the General Meeting on the issue of shares with pre-emptive rights should specify the issue price or the mechanism for its determination, or oblige the authorized body to determine such price before the day on which the pre-emptive right is established, within a time-limit allowing an investment decision to be made.	YES
13. Annual General Meeting resolutions ensure that the necessary time interval is maintained between decisions resulting in specific corporate events and the dates on which the shareholders' rights arising from these corporate events are established.	YES

<p>13a. If the Issuer's Management Board is notified that a shareholder holding at least half of the share capital or at least half of the total votes in the company has convened an extraordinary General Meeting, the Issuer's Management Board shall, pursuant to Article 399 § 3 of the Polish Code of Commercial Companies, immediately take the measures it is required to take in connection with the organization and holding the General Meeting. This rule applies also in the case of authorization by the registry court of shareholders to convening an extraordinary General Meeting pursuant to Art. 400 § 3 of the Code of Commercial Companies.</p>	YES
<p>14. The date when a right to the dividend is established and the payment date should be set so that the time between them is as short as possible and in any event no longer than 15 business days. Setting a longer period between these dates requires detailed justification.</p>	YES, provided that the decision-making body for the payment of dividends is the General Meeting, the Company's Management Board will strive to ensure that the dividend payment dates set out in draft resolutions submitted to the General Meeting comply with this rule.
<p>15. A General Meeting resolution on the payment of a conditional dividend may only set out such conditions as may be fulfilled before the day when the right to dividend is established.</p>	YES
<p>16. The Issuer publishes monthly reports within 14 days from the end of the month. The monthly report should include at least: information on the occurrence of trends and events in the Issuer's market environment which, in the Issuer's opinion, may have a significant impact on the Issuer's financial standing and financial performance, a list of all information published by the Issuer in the form of a current report in the period covered by the report, information on whether the objectives of the issue have been met, whether such objectives were achieved, including partially, within the period covered by the report; the investor's timeline, including the Issuer and investor-relevant events scheduled to take place in the coming month, in particular publication dates of periodic reports, planned general meetings, subscription opening, meetings with investors or analysts, and the expected date of publication of the analytical report.</p>	<p>NO. The preparation and publication of monthly reports at the current stage of the Company's life would involve allocating resources in amounts far exceeding any benefits of publishing monthly reports. Moreover, the Management Board believes that given the scale of the Company's operations, monthly reports would not add value for the current and potential Shareholders or reflect the current situation of the Company.</p> <p>All material information about the Company is published in the form of current and periodic reports (ESPI and EBI system) and posted on the Company's website.</p>
<p>16a. If the Issuer breaches the information obligation specified in Appendix 3 to the ATS Regulations, the Issuer should immediately publish, in the manner appropriate for the publication of current reports on the NewConnect market, information explaining the situation.</p>	YES
<p>17. <i>deleted</i></p>	-