

THE ISSUER'S MANAGEMENT BOARD'S STATEMENT ON CORPORATE GOVERNANCE IN NG2 S.A. GROUP IN 2009

- 1. The source of principles of corporate governance, which the issuer comes under and the place where such collection of principles is available to the general public.**

In 2009 the issuer observed the principles included in "The Best Practices of WSE Listed Companies", which are the annex to Resolution No. 12/1170/2007 of the Warsaw Stock Exchange Supervisory Board dated 4 July 2007. The collection of the principles is available i.a. on the Warsaw Stock Exchange website:

<http://corp-gov.gpw.pl/assets/library/polish/dobrepraktyki2007.pdf>

- 2. The scope of the issuer's withdrawal from the provisions of corporate governance principles and the reason for that withdrawal.**

On 1 December 2009 the Supervisory Board of NG2 S.A. passed a resolution on entrusting the Supervisory Board of NG2 S.A. with the obligations of an audit committee, which tasks are:

- monitoring of the financial reporting process,
- monitoring the efficiency of the internal control, internal audit and risk management systems,
- monitoring of the financial audit process,
- monitoring fees both of the auditor and the entity entitled to audit financial statements, in this case providing services, which are set forth in Art. 48 sec. • 2 of the Act on auditors and their self-governing body, entities entitled to audit financial statements and public supervision dated 7 May 2009
- obtaining from the entity entitled to audit the financial statements written notifications on the significant issues concerning financial audit, including, in particular, serious irregularities in the entity's internal control system with regard to the financial reporting process.

Before the date stated above all of the functions were performed by the Supervisory Board as the entire body. Lack of assigned committees did not have an adverse influence on functioning of the Supervisory Board and the Company.

- 3. Description of main features of internal control and risk management systems applied in NG2 S.A. Group in relation to the process of preparing financial statements and consolidated financial statements.**

The Management Board of particular company within NG2 S.A. Group is liable for the efficiency of internal control and risk management systems functioning in relation to the process of preparing financial statements. In the case of consolidated financial statements, the role set forth above lies with the Management Board of the Parent.

Conceptual supervision over the process of preparing financial statements is vested in the Vice-president of the Management Board. Chief Accountant of the company is liable for organizing the process of financial statements preparation, as well as ensuring proper recording of economic operations in Company's accounting books. Documents circulation procedure enables reduction of potential risks related to proper recording of economic operations. There is a multi-level system of internal control in the company, which in Management Board's opinion permits effective counteraction and rapid elimination of potentially arisen irregularities.

Moreover, annual and semi-annual financial statements are subject to examination by an independent entity – the auditor. Results of this examination are attached to each single published statement.

4. Presentation of shareholders of the Parent holding directly or indirectly substantial blocks of shares.

List of shareholders owning substantial blocks of shares (as at the date of submitting the annual statement)

Shareholder	Number of shares owned (pcs)	Participation in share capital (%)	Number of votes at the General Meeting (pcs)	Participation in the total number of votes at the General Meeting (%)
Dariusz Miłek, of which:	18 000 000	46,88	22 750 000	50,50
-directly,	4 750 000	12,37	9 500 000	21,09
indirectly through Luxprofi S.a.r.l. subsidiary company	13 250 000	34,51	13 250 000	29,41
Leszek Gaczorek	4 200 000	10,94	5 950 000	13,21
ING OFE	2 477 486	6,45	2 477 486	5,50
PIONEER Investment Management	3 271 877	8,52	3 271 877	7,26

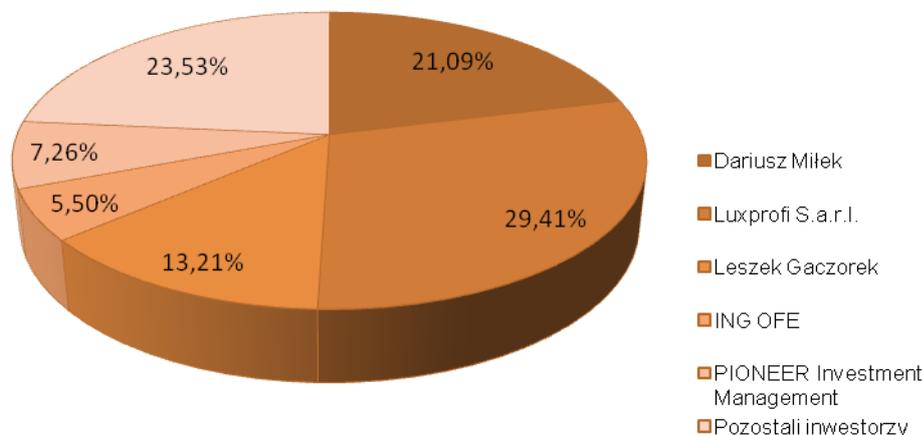
Shares of the Parent can be divided into:

- ordinary bearer shares,
- registered preference voting shares, each share carrying two votes at the General Meeting of the Parent

Some of the shares held by Mr Dariusz Miłek and Mr Leszek Gaczorek are preference voting shares as follows:

shareholder	Number of preference voting shares held(pcs)	Participation in share capital (%)	Number of votes at the General Meeting (pcs)	Participation in the total number of votes at the General Meeting (%)
Dariusz Miłek	4 750 000	12,37	9 500 000	21,06
Leszek Gaczorek	1 750 000	10,94	3 500 000	13,19

**Udział w ogólnej liczbie głosów na Walnym Zgromadzeniu
Akcjonariuszy**



Legend:

Participation in the total number of votes at the General Meeting of Shareholders

Other investors

5. Presentation of holders of any securities, which grant special control rights in the issuer's company, along with the description of those rights.

List of shareholders owning substantial blocks of shares (as at the date of submitting the annual statement):

shareholder	Number of shares owned (pcs)	Participation in share capital (%)	Number of votes at the General Meeting (pcs)	Participation in the total number of votes at the General Meeting (%)
Dariusz Miłek	4 750 000	12,37	9 500 000	21,06
Leszek Gaczorek	1 750 000	4,56	3 500 000	7,77
Lech Chudy	50 000	0,13	100 000	0,22
Mariusz Gnych	50 000	0,13	100 000	0,22
Renata Miłek	50 000	0,13	100 000	0,22
Total	6 650 000	17,32	13 300 000	29,52

Shares set forth above are preference voting shares, each share carrying two votes.

6. Presentation of any restrictions regarding exercising of voting rights in the issuer's company.

There are no restrictions.

7. Presentation of any restrictions on the transfer of the ownership title to the issuer's securities.

Shareholders of the Parent are entitled to pre-emption rights regarding registered preference shares intended for sale. In case of non-exercise of this right towards all or part of the shares, transfer of the shares requires the consent of the Issuer's Management Board.

8. Description of principles of appointment and dismissal of members of the executive bodies in Parent and their respective powers, in particular the power to decide on the issue or redemption of shares.

The issuer's Management Board's members are appointed and recalled by the issuer's Supervisory Board.

Powers and operating principles of the Management Board of NG2 S.A.. are set forth in the following documents:

- 1) Statutes of the Company, available on the Company's website
- 2) Regulation of the Management Board, available on the Company's website
- 3) Code of Commercial Companies and Partnerships

Issuance of new shares is possible after passing a resolution by the issuer's General Meeting and it results in an increase in the Company's share capital. Issuance of new shares or redemption is regulated by the Code of Commercial Companies and Partnerships and provisions on public offering and conditions for listing financial instruments into organized trading system as well as on public companies.

9. Principles of amending Statutes.

Amendments to the Statutes are subject to the provisions of the Code of Commercial Companies and Partnerships.

Any amendment to Statutes shall require that a resolution of the General Meeting be passed by a majority of three – quarters and entered in the National Court Register (Krajowy Rejestr Sądowy). The Company's Supervisory Board may, in accordance with the authorization granted by the General Meeting, establish a consolidated text of the amended Statutes or introduce other editorial changes stated in the resolution of the General Meeting.

Resolution amending Statutes is effective as of the date of entry into the National Court Register.

10. Description of how the issuer's General Meeting operates and its principle powers along with the description of shareholders rights and procedure of exercising them.

General Meeting of the Parent operates subject to Statutes and Rules of the General Meeting, which are announced by the issuer's company i.a. on NG2 S.A. website, and in issues not specified therein subject to the Code of Commercial Companies and Partnerships.

Convention of General Meeting of Shareholders:

- 1) General Meeting of Shareholders can be convened in the course of ordinary or extraordinary procedure.
- 2) General Meeting of Shareholders can be held in the Company's registered office, in Warsaw or in Wrocław, at the time and in a place set forth in the notice on General Meeting convention.
- 3) Ordinary General Meeting shall be held annually within six months from the end of the financial year.
- 4) Notice on General Meeting convention along with its place and date (day and time) shall be published in Monitor Sądowy i Gospodarczy, made accessible in current reports and put on the company's website by the Management Board.

Powers of the General Meeting of Shareholders:

Apart from all issues regarding company's activity and matters set forth in law provisions, exclusive of purchase and sale of real property, perpetual usufruct or a share in a real estate, the powers of General Meeting are:

- 1) Election and removal of Supervisory Board members
- 2) Approval of the Rules of the Supervisory Board,
- 3) Establishing the principles of Supervisory Board remuneration
- 4) Establishing the amount of remuneration of Supervisory Board members who are delegated to perform permanent and individual control.

Powers of the General Meeting have been set forth in the following documents:

- 1) The issuer's Company Statutes, available on the Company's website
- 2) Regulations of NG2 S.A. General Meeting, available on the Company's website
- 3) Code of Commercial Companies and Partnerships

Considering the Good Practices in Public Companies.

Session of the General Meeting of Shareholders:

- 1) Chairman of the Supervisory Board or the person authorized by them shall open the General Meeting and order holding an election for the Chairman of the General Meeting.
- 2) Person opening the General Meeting promptly leads to election of the Chairman of the General Meeting, who directs the GM works and ensures efficient course of agenda and respect for rights and interest of all shareholders.
- 3) General Meeting shall pass resolutions only on the issues included in the agenda.
- 4) Members of the Supervisory Board and Management Board as well as the auditor should, within the limits of their competences and within the scope necessary to resolve the issues discussed at the General Meeting, provide the participants of the General Meeting with clarifications and information about the Company.
- 5) The minutes of the General Meeting shall be taken by a notary.

Voting:

- 1) Voting at the General Meeting shall be by open ballot. A vote by secret ballot shall be ordered for elections or motions on removing members from the bodies of the Company, or bringing

- them to justice, as well as for matters relating to particular persons. Additionally a vote by secret ballot is ordered at the request of at least one shareholder or its representative.
- 2) The General Meeting is entitled to elect Ballot Counting Committee, which is obliged to supervise the proper course of every vote, oversee computer service (in the case of voting with the use of electronic technology) as well as establish the results of voting and submit them to the Chairman of the General Meeting.
 - 3) One share carries one vote at the General Meeting. In the case of preference shares series A₁ (registered preference share) one share carries two votes.
 - 4) Chairman of the General Meeting announces the results of the voting, which are then included in the minutes.
11. Composition of bodies and personnel changes made during last financial year, along with the description of how management, supervision and administration bodies of the issuer and its committees operate.

Management Board of the Parent:

The Management Board is composed of one to seven members appointed and recalled by the Supervisory Board for a term of four years.

The composition of the Company's Management Board as at 31 December 2009:

Dariusz Miłek	-	President of the Management Board
Lech Chudy	-	Vice-President of the Management Board
Mariusz Gnych	-	Vice-President of the Management Board
Piotr Nowjalis	-	Vice-President of the Management Board

On 26 February 2010 the Supervisory Board was filed with Mr Lech Chudy notification on resignation as Member of the Management Board and Vice-President of the Management Board of NG2 S.A. , effective as of 28 February 2010, which was included in current report RB 10/2010 dated 1 March 2010.

Powers and operating principles of the Management Board of NG2 S.A. have been set forth in the following documents:

- 1) Statutes of the Company, available on the Company's website
- 2) Regulations of the Management Board, available on the Company's website
- 3) Code of Commercial Companies and Partnerships

Supervisory Board of the Parent:

The Supervisory Board is composed of five to seven members appointed by the General Meeting for the term of two years. The supervisory Board shall assemble depending on the needs, not less than thrice during the financial year and is convened by the Chairman of the Supervisory Board.

The composition of the Company's Supervisory Board as at 31 December 2009:

Henryk Chojnacki	-	- Chairman of the Supervisory Board
Martyna Kupiecka	-	- Member of the Supervisory Board
Paweł Tamborski	-	- Member of the Supervisory Board
Rafał Chwast	-	- Member of the Supervisory Board

On 29 June 2009 the Company's Management Board was informed by Mr Marek Wiza, the current member of the Supervisory Board, about his resignation to run for the next term election, which was included in the current report (RB 27/2009). Mr Wojciech Fenrich became a newly elected member of the Supervisory Board (RB 28/2009).

Powers and operating principles of the Supervisory Board of NG2 S.A. have been set forth in the following documents:

- 1) Statutes of the Company, available on the Company's website
- 2) Regulations of the Supervisory Board, available on the Company's website
- 3) Resolutions of the General Meeting of the Company
- 4) Code of Commercial Companies and Partnerships and other binding law provisions.

Corporate documents of NG2 S.A. are available on the company's website:
http://ng2.pl/pl/dlainwestorow_lad.asp

SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD		
Dariusz Miłek	President of the Management Board	
Mariusz Gnych	Vice-President of the Management Board	
Piotr Nowjalis	Vice-President of the Management Board	

Polkowice, 29 April 2009