

## **Statement on the application of corporate governance rules by Quantum software S.A. in 2015**

In compliance with the obligation under § 29 section 5 of the Rules of the Warsaw Stock Exchange (WSE), in connection with Resolution no. 1013/2007 of the Management Board of WSE of 11 December 2007 on determining the scope and structure of the report on the application of Corporate Governance rules by listed companies, the Management Board of Quantum software S.A. publishes this statement on the company's application of the corporate governance rules "CODE OF BEST PRACTICE FOR WSE LISTED COMPANIES" in the period from 01.01.2015 to the date of submission of the annual Report for 2015.

### ***I. Corporate governance rules adopted by Quantum software S.A.***

In 2015, Quantum software S.A. was subject to a set of corporate governance rules as defined in the document Code of Best Practice for WSE Listed Companies, which forms an annex to Resolution No. 12/1170/2007 of the Exchange Supervisory Board dated 4 July 2007, as amended by the following resolutions of the Exchange Supervisory Board: no. 17/1249/2010 of 19 May 2010, no. 15/1282/2011 of 31 August 2011, no. 20/1287/2011 of 19 October 2011 and no. 19/1307/2012 of 21 November 2012.

As of 1 January 2016, Quantum software S.A. is subject to a set of corporate governance rules as defined in the document Best Practice for GPW Listed Companies 2016, which was adopted by way of Resolution No. 26/1413/2015 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. dated 13 October 2015, effective as of 1 January 2016.

The above documents have been prepared by the Warsaw Stock Exchange and made available at the registered office of the Warsaw Stock Exchange as well as on a website dedicated to corporate governance: <http://corp-gov.gpw.pl>.

The Company's statement covers the application of WSE's Best Practice in the wording in force in 2015 as well as the new wording, from the effective date to the date of this statement.

***II. Information on the extent to which Quantum software S.A. abandoned the application of the above-mentioned provisions, specification of such provisions and explanation for not applying them***

The Company has taken steps to apply the corporate governance rules specified in the above-mentioned document and it has made efforts to implement all recommendations of the Code of Best Practice for WSE Listed Companies and the guidelines for management boards, supervisory boards and shareholders.

The Company complies with the general recommendations of Part I. With regard to the detailed rules, the following issue needs to be explained.

Considering that the amendments have been introduced only recently, the Company is still implementing changes in the presentation of information on its website.

At present, we are working to ensure compliance with the following recommendations: I.Z.1.3, I.Z.1.7, I.Z.1.8, I.Z.1.9, I.Z.1.11 and I.Z.1.15.

In addition, it must be noted that the Company did not decide to publish any forecasts and their performance, and as a result, such information will not be published on the Company's website, as per detailed recommendation I.Z.1.10.

The Company does not change the entity authorised to audit the financial statements, and this information will be published on the corporate website along with other changes, as per recommendation I.Z.1.11.

With regard to detailed recommendation I.Z.1.15, the Company would like to explain that the members of its Supervisory Board and Management Board are appointed by the General Meeting and the Supervisory Board respectively, considering the candidates' qualifications, experience and skills. Gender and age are not taken into consideration when appointing the members of the Company's bodies. The Company's bodies believe that this approach ensures that the most suitable candidates are appointed for managerial and supervisory functions.

In principle, the Company complies with all of the remaining rules and recommendations in Parts I, II, III, IV, V and VI of the Best Practice.

In 2015, the Company generally complied with the rules presented in Parts II, III and IV of the Best Practice which were in force in 2015 and to which the *comply or explain* approach is applied.

However, the Company violated the rule specified in part II section 1 subsection 2a), which recommends that information about the participation of women and men respectively in the Management Board and in the Supervisory Board of the company in the last two years be published on the corporate website on an annual basis in the fourth quarter.

The appointment of the Supervisory Board is an independent decision of the Company's shareholders, who, when appointing the recent Supervisory Board, did not choose to appoint any women. The main criteria for appointing supervisory personnel include the candidates' competence and skills, ensuring that they adequately perform their responsibilities. Therefore, the recommendation of section I.9 is not observed and the information referred to in section II.1.2a is not published (the Company abandoned this rule as a consequence of abandoning rule I.9).

The Company violated the rule specified in part II section 1 subsection 5), which recommends that, where members of the company's governing body are elected by the General Meeting, the basis for the proposed candidates for the company's Management Board and Supervisory Board available to the company, together with the resumes of the candidates, be published on the corporate website within a timeframe enabling a review of the documents and an informed decision on a resolution.

According to the existing practice, the candidates for the Supervisory Board were presented directly at the General Meeting. Therefore, the Company did not receive any information about the proposed candidates and the basis for the proposals in advance.

### ***III. Main characteristics of the company's internal control and risk management systems applicable to the process of preparing financial statements and consolidated financial statements***

The Management Board is responsible for the internal audit system in the Company and its effectiveness in the process of compiling financial statements and interim reports, prepared and published in accordance with the principles included in the Ordinance of the Minister of Finance of 19 February 2009 on current and interim information to be submitted by issuers of securities and conditions for considering as equivalent information required under the law of a non-member state

The process of preparing the financial data for statutory reporting is automated and based on Quantum's consolidated financial and accounting system. The preparation of the data in the source systems is subject to formalised operational and approval procedures, which define the individual responsibilities. The Management Board and senior management supervise the individual areas of activity, processes and products. Key personnel are responsible for the creation, implementation, operation and monitoring of an effective and efficient internal control system as well as for identifying and monitoring any risks borne.

One of the main controls in the process of preparing the Company's financial statements is the verification by independent statutory auditors. The statutory auditor is appointed from among independent entities which ensure a high standard of services and impartiality. The statutory auditor is appointed by the Company's Supervisory Board. In particular, the statutory auditor's tasks include: reviewing semi-annual separate and consolidated financial statements, and auditing annual separate and consolidated financial statements. The statutory auditor's independence is of fundamental importance for ensuring a correct audit of the accounting books.

The financial statements are also formally reviewed and approved by the company's supervisory body (Supervisory Board). Pursuant to article 4a of the Accounting Act of 29 September 1994, the Supervisory Board is responsible for ensuring that the financial statements and the management report satisfy the legal requirements. To fulfil this obligation, the Supervisory Board uses the competences provided for by the law and by the Company's statute. This is another level of control exercised by an independent body, ensuring that the information presented in the separate and consolidated financial statements is true and fair.

The Audit Committee, appointed from among the members of the Company's Supervisory Board, supervises the Company's financial reporting process. The Audit Committee supervises the financial reporting process to ensure the balance, transparency and integrity of the financial disclosures. The Audit Committee is composed of five members of the Supervisory Board, two of whom meet the independence criteria specified in the Code of Best Practice for WSE Listed Companies, Chapter III section 6.

In the opinion of the Supervisory Board, the internal control system is suitable for the extent and profile of the risk associated with the Company's business, and material risks to Quantum's operations are managed adequately and effectively.

***IV. Shareholders who, directly or indirectly, hold substantial stakes of shares, the number of shares held by such parties, their percentage share in the share capital, the number of votes resulting from the shares and their percentage share in the overall number of votes at the general meeting***

According to knowledge available to the Company, as of 18 March 2016, which is the publication date of the annual report, Minvesta sp. z o.o., with its registered office in Kraków, holds 675,421 series A registered preference shares, which account for a total of 45.61% of the Company's share capital and are vested with 1,350,842 votes at the Company's General Meeting, representing 60.56% of the total number of votes, and holds 222,979 of the Company's series B bearer shares, which account for a total of 15.06% of the Company's share capital and are vested with 222,979 votes at the Company's General Meeting, representing 9.99% of the total number of votes.

***V. Identification of holders of all securities with special control rights and a description of these rights***

The Company holds series A registered preference shares that are not admitted to trading on the regulated market. The series A registered shares are preference shares, i.e. one share is vested with two votes at the Company's general meeting. The series B, C and D shares are freely transferrable ordinary bearer shares.

**Holders of the company's series A registered shares with special control rights in the company as of the publication date of the annual report:**

<b>Shareholder</b>	<b>Number and structure of series A shares</b>	<b>Number and structure of votes at the GSM vested with series A shares</b>
<b>MINVESTA Sp. z o.o.</b>	675,421,(90.05,%)	1,350,842,(90.05,%)
<b>Tomasz Hatala</b>	28,181,(3.76,%)	56,362,(3.76,%)
<b>Bogusław Ożóg</b>	19,150,(2.56%)	38,300,(2.56%)
<b>Marek Jędra</b>	6,384,(0.85,%)	12,768,(0.85,%)
<b>Robert Dykacz</b>	11,832,(1.58,%)	23,664,(1.58,%)
<b>Tomasz Mnich</b>	2,648,(0.35%)	5,296,(0.35%)

<b>Tomasz Polończyk</b>	,6,384,(0.85,%)	12,768,(0.85,%)
<b>Total number of the company's series A shares and votes vested with them</b>	<b>750,000,(100,%)</b>	<b>1,500,000,(100%)</b>

*VI. All restrictions regarding the exercise of the right to vote, such as restricted right to vote by holders of a given share or number of votes, temporary restrictions on the right to vote or provisions under which, in consultation with the company, capital rights linked to securities are separated from the holding of securities*

The Issuer did not issue any shares with the above restrictions.

*VII. Identification of all restrictions on the transfer of ownership title to the issuer's securities*

The Issuer did not issue any securities with restrictions on the transfer of the ownership title to such securities.

*VIII. Description of rules for amending the Issuer's statute*

In order to amend the statute, a resolution of the general meeting passed with a 3/4 majority of votes and an entry into the register of entrepreneurs are required.

*IX. Description of principles regulating the appointment and dismissal of managerial staff and their rights, in particular, the right to decide on the issue or purchase of shares*

The President and other members of the Management Board are appointed and dismissed by the Supervisory Board. The term of office of the Management Board lasts three years. The Management Board is composed of 1-5 members. The number of the members is determined by the Supervisory Board. The members of the Management Board are appointed for a joint term of office. The mandates of the members of the Management Board expire as of the date of the General Meeting. An approval of the financial statements for the last full financial year in which the member of the Management Board held their function is required. The Company's Management Board manages the Company, and represents it before court and in other matters.

Declarations of intent on behalf of the Company must be made by two members of the Management Board acting jointly.

The Management Board's responsibilities include all matters which are not restricted to the competence of the General Meeting and the Supervisory Board.

The decisions of the Management Board are made in the form of resolutions passed by an absolute majority of votes. The resolutions of the Management Board are passed by way of an open ballot. The procedures of the Management Board, which define in particular the matters that require resolutions, are specified in the Rules and Regulations adopted by the Supervisory Board. The Management Board prepares and maintains documentation of the Company's organisational activities. In particular, the Management Board:

- performs all registrations required under the applicable laws,
- publishes information required by the law and the Company's Statute in the manner specified in the law and the Statute,
- convenes the General Shareholders' Meetings and maintains documentation of the convention and the course of the meetings,
- maintains a share register,
- keeps the minutes of the Supervisory Board,
- provides the Supervisory Board and the General Shareholders' Meeting with detailed information regarding the Company,
- prepares the Company's management report for the previous financial year,
- prepares a draft distribution of profit or coverage of loss for the financial year,
- determines and announces the dividend payment date,
- maintains the Rules and Regulations of the Management Board, and other rules and regulations.

The members of the Management Board participate in every General Meeting and answer any questions asked during the meeting. In addition, the members of the Management Board who are invited to a meeting of the Supervisory Board by the Chairman of the Supervisory Board participate in the meeting and have the right to take the floor on matters listed in the agenda.

Any decisions on the issue or buyout of the Company's shares are made by the Company's General Meeting.

Pursuant to Article XIII of the Statute, the Company's share capital can be increased through the issue of new shares. The Statute authorises the Management Board to determine the issue price. Newly issued shares can be registered shares and bearer shares, and can be paid for in cash or by way of a contribution in kind. The shares are indivisible. The Management Board is authorised to issue the shares in multiple-share certificates. The shares bear the Company's seal and the Management Board's signature. The Management Board's signature can be reproduced mechanically. In the case of joint ownership of shares, the joint owners exercise their rights through either owner or through an authorised joint representative.

***X. Procedures of the General Meeting, its main rights and the description of the shareholders' rights and the exercise of these rights, in particular the principles resulting from the rules and regulations of the general meeting (if such rules and regulations have been adopted), unless such information is directly required under the law***

The Company's General Meeting acts according to the applicable law, including the provisions of the Commercial Companies Code, the Act on trading in financial instruments (J.L. 09.13.69), the Company's Statute and the Rules and Regulations of the General Meeting, as amended on 18 May 2010 by Resolution 25 of the Ordinary General Shareholders' Meeting.

The Ordinary General Meeting is convened by the Management Board, and it is held by 30 June of each calendar year. The Extraordinary General Meeting is convened by the Management Board on its own initiative, at the request of the Supervisory Board or at the request of the shareholders representing at least 1/20 of the share capital. The General Meetings are held in Kraków or in Warsaw. The information about the convention of the GSM is published in a current report and in an announcement on the Company's website. The announcement must be made at least twenty-six days prior to the date of the general meeting. The announcement on the general meeting of a public company must include at least the information referred to in Article 402<sup>2</sup> of the Commercial Companies Code.

The following matters require a resolution of the General Meeting:

1. examination and approval of the Company's financial statements and management report for the previous year,
2. specifying the rules for remunerating members of the Supervisory Board,
3. approval of the rules and regulations of the General Meeting and the Supervisory Board,
4. appointment of liquidators,



5. retention of earnings,
6. appointment and dismissal of the Supervisory Board.

The GSM passes resolutions on matters which fall within its responsibilities, in particular those specified in the Commercial Companies code, the GSM rules and regulations and the Statute. Subject to the situations specified in the Commercial Companies Code and in the Statute, the resolutions are passed by an ordinary majority of votes. According to the Statute, the resolution on abandoning an item on the agenda at the shareholders' request, is passed by the GSM by a 75% majority of votes, after obtaining approval from all present shareholders who requested the examination of such item. The GSM's resolutions are included in the minutes prepared by a civil law notary. The GSM's resolutions are subject to claims before court according to the procedures and terms specified in the Commercial Companies Code.

The shareholders have the right to participate in the General Meeting and exercise the right to vote vested with the registered shares in person or through attorneys. The power of attorney to participate in the general meeting and exercise the right to vote must be granted in writing or in electronic form. The power of attorney granted in electronic form does not require a secure electronic signature verified by a valid qualified certificate. The representatives of shareholders who are legal persons must have valid excerpts from the respective commercial register or the National Court Register, listing the persons authorised to represent such entities, or bear a power of attorney signed by the persons listed in the excerpt. The power of attorney authorising to participate in the general meeting and to exercise the right to vote granted in electronic form must be sent to the e-mail address for investor contact on the Company's website, not later than 2 days prior to the respective general meeting. Every series A registered share of the Company is vested with two votes at the General Meeting, while series B, C and D shares are ordinary bearer shares, with each share vested with one vote at the General Meeting. The right to participate in the general meeting of a public company is reserved for persons who are listed as the company's shareholders sixteen days prior to the date of the general meeting (record date). Individuals authorised under registered shares and temporary certificates as well as pledgees and usufructuaries with the right to vote are entitled to participate in the general meeting of a public company if they are entered into the share register as of the record date. The bearer shares in document form are vested with the right to participate in the general meeting of a public company if the share documents are submitted to the company not later than on the record date and are not withdrawn by that date. In place of the shares, a statement issued as the proof of depositing the shares with a civil law notary, a bank or

an investment company with registered office or branch in the territory of the European Union or a country that is a party to the EEA Agreement can be submitted, as specified in the announcement of the convention of the general meeting. The statement must include the number of share documents and confirm that the share documents will not be withdrawn by the record date.

Each shareholder has the right to demand the copies of requests regarding the issues on the agenda of the upcoming General Meeting. Such a demand must be submitted to the Company's Management Board. The copies of the requests must be issued not later than one week prior to the General Meeting.

Immediately after the Chairman of the General Meeting has been appointed, an attendance list of the persons participating in the General Meeting must be prepared, including the number of the Company's shares held by every participant and the number of votes vested with the shares. The Chairman is obliged to sign the list and make it available for peruse during the session of the General Meeting. Pursuant to Article 410 § 2, at the request of shareholders holding 1/10 of the share capital represented at the General Meeting, the attendance list must be checked by a committee appointed for this purpose.

According to the Company's Statute, the shareholders have the right to participate in the annual profit which the General Shareholders' Meeting has earmarked for distribution. The Management Board is authorised to make an advance payment to the shareholders on the expected dividend at the end of the financial year, provided that the Company has sufficient funds available. The advance payment must be approved by the Supervisory Board.

### ***XI Composition and changes in the last financial year and description of the operation of the company's management and supervisory bodies, and of their committees***

***As of 31.12.2015, the Management Board was composed of:***

President of the Management Board	Tomasz Hatala
Vice-President of the Management Board	Bogusław Ożóg
Vice-President of the Management Board	Marek Jędra
Member of the Management Board	Tomasz Mních

The composition of the Management Board did not change in 2015. On 15 March 2013, the members of the Management Board were appointed for a three-year term of office.

The detailed tasks of the Company's Management Board are described in the Rules and Regulations of the Management Board, which are adopted by the Management Board and approved by the Supervisory Board.

### ***Operating procedures of the Management Board***

Declarations of intent on behalf of the Company must be made by two members of the Management Board acting jointly.

The Management Board's responsibilities include all matters which are not restricted to the competence of the General Meeting and the Supervisory Board.

The decisions of the Management Board are made in the form of resolutions passed by an absolute majority of votes. The resolutions of the Management Board are passed by way of an open ballot. The procedures of the Management Board, which define in particular the matters that require resolutions, are specified in the Rules and Regulations adopted by the Supervisory Board. The Management Board prepares and maintains documentation of the Company's organisational activities. In particular, the Management Board:

- performs all registrations required under the applicable laws,
- publishes information required by the law and the Company's Statute in the manner specified in the law and the Statute,
- convenes the General Shareholders' Meetings and maintains documentation of the convention and the course of the meetings,
- maintains a share register,
- keeps the minutes of the Supervisory Board,
- provides the Supervisory Board and the General Shareholders' Meeting with detailed information regarding the Company,
- prepares the Company's management report for the previous financial year,
- prepares a draft distribution of profit or coverage of loss for the financial year,
- determines and announces the dividend payment date,
- maintains the Rules and Regulations of the Management Board, and other rules and regulations.

***As of 31.12.2015, the Supervisory Board was composed of:***

Chairman of the Supervisory Board	Leopold Kutyla
Vice-Chairman of the Supervisory Board	Tomasz Polończyk
Member of the Supervisory Board	Henryk Gaertner
Member of the Supervisory Board	Andrzej Ruciński
Member of the Supervisory Board	Marcin Buczkowski

***Operating procedures of the Supervisory Board***

The Supervisory Board acts based on the adopted Rules and Regulations of the Supervisory Board of Quantum software S.A. and the Company's Statute. The Supervisory Board is composed of five to nine members appointed by the General Meeting. The terms of office of the Supervisory Board lasts 3 years. If the mandate of the Chairman or the Member of the Supervisory Board expires before the end of the term of office, a new Chairman or Member is appointed in their place only for the remaining term of office of the other members of the Supervisory Board. At least two members of the Supervisory Board must meet the independence criteria.

The responsibilities of the Supervisory Board include:

- examining the annual financial statements and the Company's management report, and making proposals on the distribution of profit or the coverage of loss,
- submitting a written report to the General Meeting, regarding the results of the activity referred to in item 1 before,
- approving the purchase and sale of real property, perpetual usufruct title or interest in real property,
- approving the purchase of interests or shares in other businesses, acquisitions and incorporation of new businesses,
- allowing Members of the Management Board to become involved in competitive activity or a competitor company as a shareholder or as a member of its corporate bodies,
- examining other issues raised by the General Meeting,
- approving the granting of proxy by the Management Board,
- at the request of the Management Board, appointing a statutory auditor for auditing the Company's annual financial statements.

The meetings of the Supervisory Board are convened by the Chairperson at their own initiative or at the request of another member of the Supervisory Board or at the request of the Management Board. The Supervisory Board adopts its resolutions by an absolute majority of votes. The

Supervisory Board may not pass a resolution regarding matters that are not on the agenda, unless all members of the Supervisory Board are present and nobody raises an objection. The Members of the Supervisory Board may participate in passing the Supervisory Board's resolutions through voting in writing via another Member of the Supervisory Board. It is not possible to vote in writing on matters included in the agenda at the meeting of the Supervisory Board. The Supervisory Board's resolutions may be passed without holding a meeting, by written ballot or using telecommunication equipment. A resolution is valid if all members of the Supervisory Board have been notified about the content of the draft resolution.

***As of 31.12.2015, the Supervisory Board's Audit Committee was composed of:***

Chairman of the Committee	Leopold Kutyla
Member of the Committee	Tomasz Polończyk
Member of the Committee	Henryk Gaertner
Member of the Committee	Andrzej Ruciński
Member of the Committee	Marcin Buczkowski

***Operating procedures of the Supervisory Board's Audit Committee***

The Supervisory Board's Audit Committee, according to the Act of 7 May 2009 on statutory auditors and their professional association, entities authorised to audit financial statements and on public supervision, acts based on Resolution 21 of the Ordinary General Meeting of Quantum software S.A. of 17 May 2012, and monitors the following:

- 1) financial reporting process,
- 2) the efficiency of the systems for internal control, internal audit and risk management,
- 3) financial auditing activities,
- 4) independence of the statutory auditor and the entity authorised to audit financial statements.

The Audit Committee is composed of five members of the Company's Supervisory Board, at least one of whom meets the independence criteria, as stipulated by Article 56 section 3 items 1, 3 and 5 of the Act, and is qualified in accounting or financial auditing. The Audit Committee is a standing committee of the Supervisory Board. In an open ballot, the Supervisory Board appoints one of the Members of the Audit Committee as the Chairman. The Supervisory Board may at any time dismiss the Chairman of the Audit Committee, leave them within the Committee and appoint another Chairman. The Members of the Committee hold their functions for the term of office of the

Supervisory Board. The Supervisory Board may, at any time, dismiss the individual Members of the Audit Committee before the expiry of a Supervisory Board member's mandate. Dismissing a member from the Committee is not tantamount to dismissing them from the Supervisory Board. The mandate of each member of the Committee expires as of the expiry of a Supervisory Board member's mandate.

The Audit Committee acts based on the applicable law, including the Act of 7 May 2009 on statutory auditors and their professional association, entities authorised to audit financial statements and on public supervision (J.L. of 2009, no. 77, item 64).

The Audit Committee holds sessions when required, but the sessions are held at least before the Company's publication on WSE of the annual, semi-annual and two quarterly financial statements (for the first and third quarter).

The sessions of the Audit Committee are convened by the Chairman on the Chairman's own initiative or at the request of a member of the Audit Committee. At the request of a member of the Audit Committee or on the Chairman's own initiative, the Chairman of the Audit Committee may invite persons from outside the Audit Committee to participate in the sessions, in particular persons with specialist expertise, as well as members of the Management Board and the Company's employees in order to provide detailed explanations or express opinion on the subject of the session. Such persons must leave the session of the Committee when the issues discussed concern them directly and at the request of a member of the Audit Committee. The Chairman of the Audit Committee directs the Committee's work. The Chairman also supervises the preparation of the agenda, the distribution of documents and the preparation of minutes from the committee's sessions.

**Kraków, 18.03.2016**

<b>President of the Management Board</b>	Tomasz Hatala
<b>Vice-President of the Management Board</b>	Bogusław Ożóg
<b>Vice-President of the Management Board</b>	Marek Jedra
<b>Member of the Management Board</b>	Tomasz Mnich