UNIWHEELS
UNITED WHEELS GROUP

Statement on 2016 New Best Practices for WSE Listed Companies

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Since the Best Practice for GPW Listed Companies 2016 enter into force as of 1 January 2016, the Management Board of UNIWHEELS AG (the "Company") informs that the Company will not comply with the following rules of the Best Practice for GPW Listed Companies 2016:

- Rule I.Z.1.1. according to which the Company should publish on its corporate website basic corporate documents, in particular the company's articles of association. The Company publishes the articles of association on its website; however, the Company does not intend to publish internal regulations of the Management Board and the Supervisory Board.
- Rule I.Z.1.5. according to which the Company should publish on its corporate website current and periodic reports, prospectuses and information memoranda with annexes, published by the Company at least in the last 5 years. The Company does not make the prospectus available on its website since it is somewhat dated.
- Rule I.Z.1.7. according to which the Company should publish on its corporate website information materials published by the Company concerning the Company's strategy and its financial results. The Company does not make the strategy available on its website since no formal strategy policy has been implemented in the Company with instruments for measurement of its implementation and other tools, which would make statements on strategy fully reliable.
- Rule I.Z.1.10. according to which the Company should publish on its corporate website financial projections, if the Company has decided to publish them, published at least in the last 5 years, including information about the degree of their implementation. The Company does not make the financial projections and any related discussion available on its website since the Company does not prepare any financial projections for public distribution and no financial projections will be publicly discussed.
- Rule I.Z.1.11. according to which the Company should publish on its corporate website information about the content of the Company's internal rule of changing the company authorised to audit financial statements or information about the absence of such rule. German law and the German Corporate Governance Code do not require the establishment of such a policy, and the Company believes it is not necessary to establish such a policy since the potential benefits for the shareholders would not exceed the benefits from continuity of the auditor.
- Rule I.Z.1.14. according to which the Company should publish on its corporate website materials provided to the General Meeting, including assessments, reports and positions referred to in principle II.Z.10, tabled to the General Meeting by the Supervisory Board. The Supervisory Board will report on its activity in the annual report, however since the Company does not see in the foreseeable future a need for separate control and reporting systems, it will not discuss in detail certain specific topics like the internal control system or the work of its committees.
- Rule I.Z.1.15. according to which the Company should publish on its corporate website information about the Company's diversity policy applicable to the Company's governing bodies and key managers; the description should cover the following elements of the diversity policy: gender, education, age, professional experience, and specify the goals of the diversity policy and its implementation in the reporting period; where the Company has not drafted and implemented a diversity policy, it should publish the explanation of its decision on its website. The Company does not have a diversity policy as such policy would be ineffective due to the small size of the Company's governing bodies and small number of key managers.

- Rule I.Z.1.16. according to which the Company should publish on its corporate website information about the planned transmission of a General Meeting, not later than 7 days before the date of the General Meeting. The Company does not intend to comply with this rule due to technical and legal difficulties and cost disproportionate to benefits for the shareholders.
- Rule I.Z.1.19. according to which the Company should publish on its corporate website shareholders' questions asked to the Management Board pursuant to Article 428 § 1 or § 6 of the Commercial Companies Code together with answers of the Management Board to those questions, or a detailed explanation of the reasons why no answer is provided, pursuant to principle IV.Z.13. The Company does not intend to comply with this rule since there is no such rule nor corporate practice in Germany.
- Rule I.Z.1.20. according to which the Company should publish on its corporate website an audio or video recording of a General Meeting. The Company does not intend to comply with this rule due to technical and legal difficulties and cost disproportionate to benefits for the shareholders.
- Rule II.Z.1. according to which the internal division of responsibilities for individual areas of the company's activity among Management Board members should be clear and transparent, and a chart describing that division should be available on the company's website. Although there is a partial division of responsibilities, due to the small size of the Management Board a strict division of responsibilities among the Management Board members would be impractical and would remove the flexibility of operations of the Management Board and its members.
- Rule II.Z.3. and II.Z.4. according to which at least two members of the Supervisory Board should meet the criteria of being independent. The Company will not comply with this rule, but will follow German standards. Under the German Code the Supervisory Board should include what it considers an adequate number of independent members. Since the Supervisory Board is composed of three members, two dependent and one independent members, the Company believes that this is an adequate number of independent members given the total number of three members of the Supervisory Board. Dr. Wolfgang Baur, the independent member, is an expert in finance and accounting in accordance with Section 100 para. 5 of the German Stock Corporation Act pursuant to which at least one member of the Supervisory Board must have knowledge in the fields of accounting or auditing (in compliance with and Annex II to the Commission Regulation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board (2005/162/EG)).
- Rule II.Z.5. according to which each Supervisory Board member should provide the other members of the Supervisory Board as well as the Company's Management Board with a statement of meeting the independence criteria referred to in principle II.Z.4. Since there is only one independent member of the Supervisory Board, the remaining members of the Supervisory Board will not be able to provide a statement of meeting the independence criteria and the Company considers this rule as going too far.
- Rule II.Z.6. according to which the Supervisory Board should identify any relationships or circumstances which may affect a Supervisory Board member's fulfilment of the independence criteria. An assessment of Supervisory Board members' fulfilment of the independence criteria should be presented by the Supervisory Board according to principle II.Z.10.2. Since there is only one independent member of the Supervisory Board, the Supervisory Board will not conduct an assessment of fulfilment of the independence criteria by the remaining members of the Supervisory Board and the Company considers this rule as going too far.
- Rule II.Z.7. according to which Annex I to the Commission Recommendation referred to in principle II.Z.4 applies to the tasks and the operation of the committees of the Supervisory Board. The Company has a traditional German two-tier board structure and will follow German rules which determine the tasks and operation of the committees of the Supervisory Board.
- Rule II.Z.10.1. according to which the Supervisory Board should prepare and present to the ordinary General Meeting once per year an assessment of the Company's standing, including an assessment of the internal control, risk management and compliance systems and the internal audit function;

such assessment should cover all significant controls, in particular financial reporting and operational controls. The Supervisory Board will report on its activity in the annual report, however since the Company does not see in the foreseeable future a need for separate control and reporting systems, it will not discuss in detail certain specific topics like the internal control system, risk management system or work of its committee.

- Rule II.Z.10.4. according to which the Supervisory Board should prepare and present to the ordinary General Meeting once per year an assessment of the rationality of the Company's policy referred to in recommendation I.R.2 or information about the absence of such policy. Since the Company does not have a sponsoring policy, the Supervisory Board will not conduct an assessment of the Company's sponsoring activities.
- Rule II.Z.11. according to which the Supervisory Board should review and issue opinions on matters to be decided in resolutions of the General Meeting. The Company does not intend to comply with this rule due to differences between Polish and German corporate law and practice. However, according to German law, there are a number of situations in which the Management Board and/or the Supervisory Board have to report to the Shareholders' Meeting as a basis for a decision of the Shareholders' Meeting.
- Rule III.Z.1. according to which the Company's Management Board is responsible for the implementation and maintenance of efficient internal control, risk management and compliance systems and internal audit function. There are separate units for risk management and compliance in the Company, however the Company does not see in the foreseeable future a need for separate internal control and audit functions.
- Rule III.Z.2. according to which, subject to principle III.Z.3, persons responsible for risk management, internal audit and compliance should report directly to the President or other member of the Management Board and should be allowed to report directly to the Supervisory Board or the audit committee. There are separate units for risk management and compliance in the Company, however the Company does not see in the foreseeable future a need for separate internal control and audit functions.
- Rule III.Z.3. according to which the independence rules defined in generally accepted international standards of the professional internal audit practice apply to the person heading the internal audit function and other persons responsible for such tasks. The Company does not see in the foreseeable future a need for separate internal control and audit functions.
- Rule III.Z.4. according to which the person responsible for internal audit (if the function is separated in the company) and the Management Board should report to the Supervisory Board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle III.Z.1 and table a relevant report. The Company does not see in the foreseeable future a need for separate internal control and audit functions, therefore there will be no internal reporting regarding these areas.
- Rule III.Z.5. according to which the Supervisory Board should monitor the efficiency of the systems and functions referred to in principle III.Z.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the Company's Management Board, and make an annual assessment of the efficiency of such systems and functions according to principle II.Z.10.1. Where the Company has an audit committee, it should monitor the efficiency of the systems and functions referred to in principle III.Z.1, which however does not release the Supervisory Board from the annual assessment of the efficiency of such systems and functions. There are separate units for risk management and compliance in the Company, however the Company does not see in the foreseeable future a need for separate internal control and audit functions. Therefore such functions will not be reported and assessed.
- Rule IV.Z.2. according to which, if justified by the structure of shareholders, companies should ensure publicly available real-time broadcasts of general meetings. The Company does not intend to comply with this rule due to technical and legal difficulties and cost disproportionate to benefits for the shareholders.

- Rule IV.Z.4. according to which, if the Management Board becomes aware of a General Meeting being convened pursuant to Article 399 § 2 – 4 of the Commercial Companies Code, the Management Board should immediately take steps which it is required to take in order to organise and conduct the General Meeting. The foregoing applies also where a General Meeting is convened under authority granted by the registration court according to Article 400 § 3 of the Commercial Companies Code. The Company will not comply with this rule since German regulations are different and protect the shareholders sufficiently in the Company's view.

- Rule IV.Z.5. according to which the rules of General Meetings and the method of conducting the meeting and adopting resolutions must not restrict the participation of shareholders in General Meetings and the exercising of their rights. Amendments of the rules of the General Meeting should take effect at the earliest as of the next General Meeting. The Company wishes to follow German practice where no such rule is defined. The Company is of the view that the German rules sufficiently protect the shareholders.

- Rule IV.Z.15. according to which a resolution of the General Meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting the price or authorise the competent governing body to set the price prior to the subscription right record date within the timeframe necessary for investors to make decisions. The Company will not comply with this rule and will follow German regulations. Under German statutory law the minimum price must be determined by the Shareholders' Meeting, however details can be delegated to the Management Board and the Supervisory Board, including a book-building.

- Rule V.Z.2. according to which members of the Management Board or the Supervisory Board should notify the Management Board or the Supervisory Board, respectively, of any conflict of interest which has arisen or may arise, and should refrain from voting on a resolution on the issue which may give rise to such a conflict of interest in their case. The Company will not comply with this rule and will follow the German standards, according to which the members of corporate bodies should provide notification of any conflicts of interest which have arisen or may arise, however this should not normally prevent the relevant member from discussing and voting on such issues. The Company believes that the German rules and practice satisfy the principle of limiting a negative impact of a potential conflict of interest on the Group's operations, and any stricter rules may impede the activities of the Company's corporate bodies.

- Rule V.Z.4. according to which where a member of the Management Board or the Supervisory Board concludes that a decision of the Management Board or the Supervisory Board, respectively, is in conflict with the interest of the Company, he or she may request that the minutes of the Management Board or the Supervisory Board meeting show his or her position. The Company will follow German practice, which does not include such solutions. The Company believes that the German rules and practice satisfy the principle of limiting a negative impact of a potential conflict of interest on the Group's operations.

- Rule V.Z.6. according to which in its internal regulations, the company should define the criteria and circumstances under which a conflict of interest may arise in the Company, as well as the rules of conduct where a conflict of interest has arisen or may arise. The Company's internal regulations should among others provide for ways to prevent, identify and resolve conflicts of interest, as well as rules of excluding members of the Management Board or the Supervisory Board from participation in reviewing matters subject to a conflict of interest which has arisen or may arise. The Company will follow the German standards, according to which the members of corporate bodies should provide notification of any conflicts of interest which have arisen or may arise, however this should not normally prevent the relevant member from discussing and voting on such issues. The Company believes that the German rules and practice satisfy the principle of limiting a negative impact of a potential conflict of interest on the Group's operations, and any stricter rules may impede the activities of the Company's corporate bodies.

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- Rule VI.Z.4. according to which in its activity report, the Company should report on the remuneration policy. Since the Company does not have a formal remuneration policy, it will not discuss a remuneration policy in its report and will provide information regarding remuneration as required by German regulations.

Legal grounds: § 29.3 of the Warsaw Stock Exchange Rules

Signatures of individuals authorized to represent the Company

Dr. Thomas Buchholz
Chief Automotive Officer

Dr. Karsten Obenaus
Head of Finance / CFO