

***OPTeam***<sub>S.A.</sub>

***Management report on activities  
of OPTeam S.A. in 2011***

*Tajęcina, 20 March 2012*

## List of contents

1. General information about the Issuer. ....	4
2. Basic economic and financial data. ....	7
3. Disclosure on the Issuer's core products or services. ....	12
4. Disclosure on market and supply base ....	13
5. Disclosure on significant contracts for the Issuer's operations, including agreements concluded between shareholders known to the Issuer. ....	14
6. Disclosure on organisational or equity relations of the Issuer with other parties.....	15
7. Disclosure on significant transactions concluded by the Issuer or its subsidiary with related parties not at arm's length.....	16
8. Description of significant risk factors and threats, including the extent of exposure. ....	16
9. Identification of proceedings at court, arbitration bodies of proper jurisdiction or public administration bodies. ....	18
10. Disclosure on agreements regarding borrowings.....	18
11. Disclosure on loans, securities and bond issued and received in the course of the business year. ....	19
12. Disclosure on how the Issuer used proceeds from the issue of securities in the period covered by the report.....	20
13. The Management Board's position on the viability of performance forecasts published earlier. ....	20
14. Management of financial resources. ....	20
15. Investment plan viability assessment, including capital investments. ....	21
16. Characteristics of external and internal factors significant to the development of the Issuer's enterprise and a description of the Issuer's development outlook at least up to the end of the business year.....	21
17. Changes in basic management principles of the Issuer's enterprise.....	22
18. All agreements concluded between the Issuer and management officers, providing for compensation in the event of resignation or dismissal without cause, or if their dismissal or termination is due to the Issuer's consolidation through acquisition. ....	22
19. Remuneration, bonuses or benefits, including under incentive or bonus programmes based on the Issuer's capital for management and supervisory officers. ....	22
20. Specification of the total number and nominal value of all of the Issuer's shares as well as shares in the Issuer's related parties, held by management and supervisory officers (individually).....	22
21. Disclosure on agreements known to the Issuer (including those concluded after the balance sheet date), which may in the future lead to changes in the stakes held by current shareholders.....	23

<b>22.</b>	<b><i>Disclosure on the control system of the employee stock ownership plan. ....</i></b>	<b>23</b>
<b>23.</b>	<b><i>Representation of the Management Board regarding corporate governance.....</i></b>	<b>23</b>
<b>24.</b>	<b><i>Disclosure on agreements with the certified auditor.....</i></b>	<b>30</b>

## **1. General information about the Issuer.**

The Issuer is a producer and integrator of specialised smart card based systems. The company also specialises in the supply and integration of advanced ICT solutions related to various aspects of data security, building ICT networks, data processing centres, as well as supplying and implementing ERP-class enterprise management systems. The scope of the Issuer's operations also includes integration of fiscal sales systems.

### **Card systems.**

For many years, the Issuer has been developing its potential in systems based on smart cards, gradually expanding its product portfolio. The solutions offered by the Issuer include proprietary systems: Electronic Student ID Card OPTIcamp, Customer Loyalty Card OPTIcard, Corporate Card OPTIpass and Electronic Purse OPTIcash.

The key functions of card systems implemented by the Issuer include:

- visual and electronic user identification,
- computer login,
- accounting for printouts and photocopies,
- access to data in college or corporate resources,
- access control and accounting for car park services,
- library ID cards,
- questionnaires, tests and examinations,
- micropayments and non-cash payments,
- digital signatures and encoding electronic documents,
- recording work attendance.

### **Integration of ICT solutions.**

One important area of the Issuer's operations is the supply and implementation of advanced IT systems. They include:

- delivery of comprehensive solutions in secure data storage,
- project execution of extended communications systems used in transmission technology,
- building comprehensive structures of Data Processing Centres and equipping them with servers, as well as implementing virtual server environment solutions,
- providing businesses with ICT infrastructure – computer systems and software

### **Integration of ERP business management systems.**

The Issuer supplies and implements ERP business management systems. The company specialises in implementing ERP systems in medium-sized and large enterprises. The Issuer's offer in this scope covers all stages of ERP system implementation, starting from consulting work (pre-implementation analysis, selecting the system, implementation design) through to supplying the software, introducing modifications or additions, installation, trainings and post-implementation assistance.

The Issuer delivers its own proprietary industry-specific solutions for ERP systems covering:

- project management for construction,
- production process support,
- electronic document flow,
- high bay warehouse management,
- processing orders, sales, maintenance and many other processes online (B2B system).

### **Fiscal sales systems.**

The Issuer's scope of business also includes the sale and maintenance of fiscal sales systems. They include fiscal devices, computer cash registers, devices for processing bar codes, weighing scales and specialised software supporting sale processes.

**Issuer: OPTeam S.A.**

Head Office (seat): 36-002 Tajęcina 113

Telephone no: +48 (17) 867-21-00

Fax no: +48 (17) 852-01-38

KRS number: 0000160492

REGON: 008033000

NIP: 8130334531

Authorised capital of PLN 730,000 fully paid up

Web page: [www.opteam.pl](http://www.opteam.pl)

**Composition of the Issuer's governing bodies as of the report date:**

**Supervisory Board:**

Janusz Bober	Chairman of the Supervisory Board
Wiesław Roman Zaniewicz	Vice Chairman of the Supervisory Board
Janusz Gajdek	Secretary of the Supervisory Board
Marcin Lewandowski	Supervisory Board Member
Adam Leda	Supervisory Board Member

**Management Board:**

Andrzej Pelczar	President of the Management Board
Bogdan Niziołek	Vice President of the Management Board
Wacław Szary	Vice President of the Management Board

**Proxies:**

Ryszard Woźniak	Joint commercial representation (as of 12.07.2011)
-----------------	--

In the course of the business year 2011, there were changes in the composition of supervisory and management bodies. On 28.06.2011, the Issuer's Ordinary General Meeting elected the Supervisory Board for a new, third term of office. On the same day, the newly appointed Supervisory Board elected the new Management Board for the third term of office (changes in the Issuer's bodies as per the table below).

During the period covered by this report, the Management Board of OPTeam S.A. was composed of:

Janusz Bober	President of the Management Board - up to 28.06.2011
Andrzej Pelczar	President of the Management Board - after 28.06.2011, Vice President of the Management Board - up to 28.06.2011
Wacław Szary	Vice President of the Management Board - after 28.06.2011
Bogdan Niziołek	Vice President of the Management Board - after 28.06.2011

During the period covered by this report, the Supervisory Board of OPTeam S.A. was composed of:

Janusz Bober	Chairman of the Supervisory Board – after 28.06.2011
Wiesław Zaniewicz	Chairman of the Supervisory Board – up to 28.06.2011
	Vice Chairman of the Supervisory Board – after 28.06.2011

Aleksander Bobko	Secretary of the Supervisory Board – up to 28.06.2011
Janusz Gajdek	Vice Chairman of the Supervisory Board – up to 28.06.2011 Secretary of the Supervisory Board – after 28.06.2011
Grzegorz Leszczyński	Supervisory Board Member - up to 28.06.2011
Marcin Lewandowski	Supervisory Board Member
Adam Leda	Supervisory Board Member - after 28.06.2011

The Issuer's shares are listed in the parallel market.

Stock exchange	Warsaw Stock Exchange [Giełda Papierów Wartościowych w Warszawie S.A.] ul. Książęca 4 00-498 Warsaw
WSE symbol	OPM
WSE sector	Information Technology
Parallel Market	5 PLUS
Indices	WIG
Depository, clearing and settlement system	National Depository for Securities [Krajowy Depozyt Papierów Wartościowych S.A. - KDPW] ul. Książęca 4 00-498 Warsaw

## 2. Basic economic and financial data.

The statement drawn up as of 31 December 2011 contains comparable financial data for the year ending 31 December 2010. This statement drawn up for the twelve-month period ending 31 December 2011 contains changes in the presentation of comparable data due to the acquisition on 3.01.2011 by OPTeam S.A. of its subsidiary ELEKTRA Sp. z o.o.

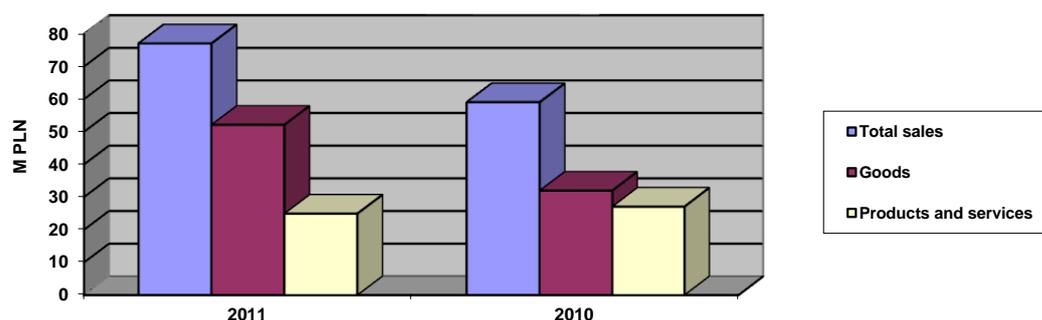
Comparable data presented for 2010 are the consolidated data of the merged companies. Divergences from the data published in standalone statements for the period from 01.01.2010 to 31.12.2010 are due to the data of the acquired company and differences on consolidation.

### 1) Profit and loss statement

The Issuer's profit & loss statement in 2011-2010 (in K PLN).

Profit and loss statement	For the period from 01.01.2011 to 31.12.2011	% share	For the period from 01.01.2010 to 31.12.2010	% share
<b>I. Sales and their equivalents</b>	<b>79 396</b>	<b>100.00</b>	<b>60 099</b>	<b>100.00</b>
1. Sales of products and services	24 936	31.41	27 081	45.06
2. Sales of goods	52 164	65.70	31 976	53.21
3. Own work capitalised	3 781	4.76	2 872	4.78
3. Net change in products	-1 485	-1.87	-1 830	-3.04
<b>II. Costs of operating activities</b>	<b>77 662</b>	<b>97.82</b>	<b>56 840</b>	<b>94.58</b>
<b>III. Profit (loss) on sales</b>	<b>1 734</b>	<b>2.18</b>	<b>3 259</b>	<b>5.42</b>
<b>IV. Profit (loss) from operating activities</b>	<b>2 560</b>	<b>3.22</b>	<b>2 646</b>	<b>4.40</b>
<b>V. Gross profit (loss)</b>	<b>2 259</b>	<b>2.85</b>	<b>2 355</b>	<b>3.91</b>
<b>VI. Net profit (loss) from continued operations</b>	<b>1 953</b>	<b>2.46</b>	<b>2 074</b>	<b>3.45</b>

Sales of products, services and goods in 2011-2010



In 2011, the Company generated sales of products, services and goods (disregarding net change in products and own work capitalised) amounting to **77,100 K PLN**, which is 18,043 K PLN (30.55%) more than the sales of 2010, which amounted to 59,057 K PLN. The highly dynamic growth of revenues in 2011 results from an increase in the sale of commercial goods by 20,188 K PLN, whereas sales of products and services recorded a slight decline (by 2,145 K PLN). This type of development in the structure of sales revenues translated into a reduced rate of return compared to 2010. The trade margin on the sale of goods is much lower than the rate of return on proprietary

products, which significantly affected the ratio of sales to operating costs (compared to the figures for 2010, the costs accounted for 3.4% more in the total sales)

Structure of income from sales of products, services and goods divided into core areas of the Company's activities in 2011-2010 (in K PLN).

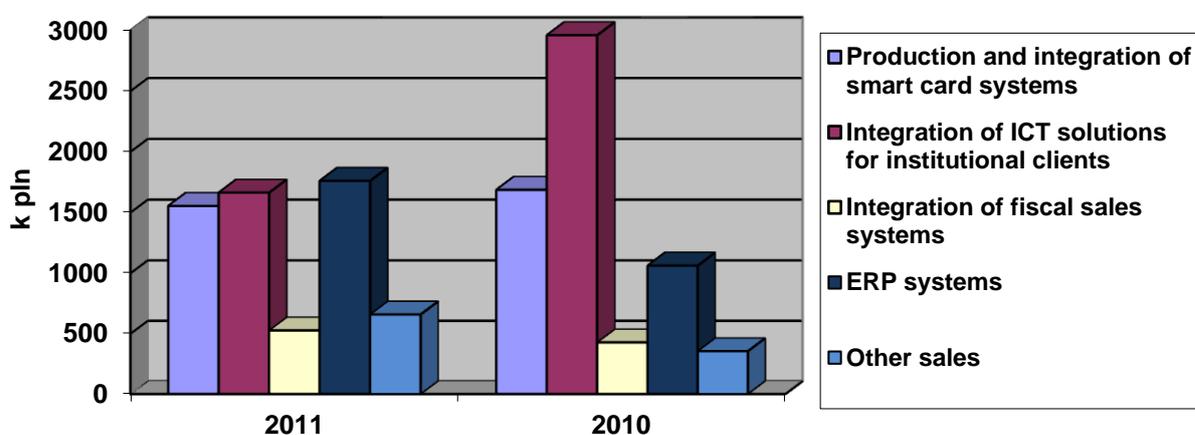
Structure of income from sales of products, services and goods	2011		2010	
	Amount	%	Amount	%
<b>Total sales of products, services and goods, including:</b>	<b>77 100</b>	<b>100.00</b>	<b>59 057</b>	<b>100.00</b>
Production and integration of smart card systems	11 659	15.12	7 388	12.51
Integration of ICT solutions for institutional clients	43 265	56.12	34 114	57.76
Integration of fiscal sales systems	4 483	5.81	4 194	7.10
ERP systems	16 423	21.30	12 491	21.16
Other sales	1 270	1.65	870	1.47

Structure of gross profitability (gross profit margin on sales\*\*) in core areas of the Company's activities in 2011-2010.

Gross profit margin	2011		2010	
	K PLN	%	K PLN	%
<b>Company total, including:</b>	<b>6 165</b>	<b>100.00</b>	<b>6 493</b>	<b>100.00</b>
Production and integration of smart card systems	1 554	25.21	1 687	25.98
Integration of ICT solutions for institutional clients	1 664	26.99	2 960	45.59
Integration of fiscal sales systems	527	8.55	428	6.59
ERP systems	1 761	28.56	1 063	16.37
Other sales	659	10.69	355	5.47

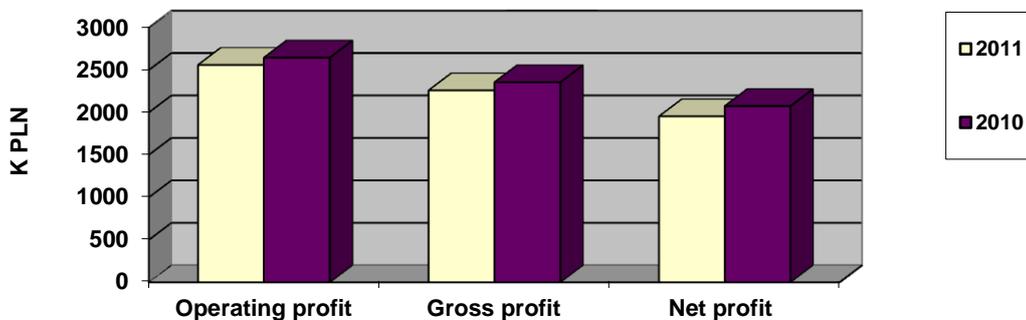
\*\* Gross margin: profit on sales disregarding general and administrative costs.

Structure of gross profit margin on sales.



The data presented above reveal a tendency for the profit margins derived in core business areas of OPTeam S.A. to become more similar to the overall gross profit margin

Operating profit, gross profit and net profit in 2011-2010.

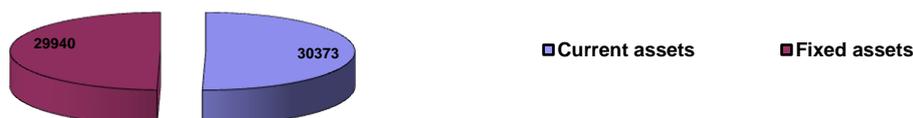


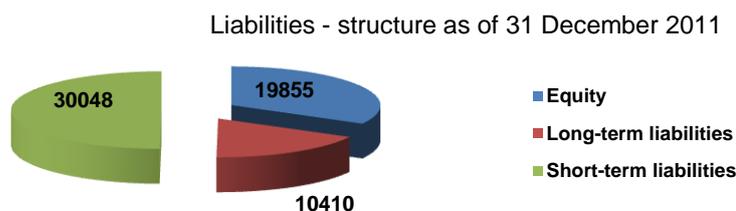
## 2) Balance sheet

Structure of assets and sources of financing 2011-2010.

BALANCE SHEET - ASSETS	Status as of 31.12.2011		Status as of 31.12.2010		Change	
	K PLN	% share	K PLN	% share	K PLN	%
A. Fixed assets	29 939	49.64%	28 730	54.93%	1 210	4.21%
B. Current assets	30 374	50.36%	23 576	45.07%	6 797	28.83%
<b>TOTAL ASSETS</b>	<b>60 313</b>	<b>100.00%</b>	<b>52 306</b>	<b>100.00%</b>	<b>8 007</b>	<b>15.31%</b>
<b>BALANCE SHEET - LIABILITIES</b>						
A. Equity	19 855	32.92%	17 815	34.06%	2 040	11.45%
B. Long-term liabilities	10 410	17.26%	11 358	21.71%	-948	-8.35%
C. Short-term liabilities	30 048	49.82%	23 133	44.23%	6 915	29.89%
<b>TOTAL LIABILITIES</b>	<b>60 313</b>	<b>100.00%</b>	<b>52 306</b>	<b>100.00%</b>	<b>8 007</b>	<b>15.31%</b>

Assets - structure as of 31 December 2011





As of the end of 2011, the value of the Company's assets amounted to 60,313 K PLN, having increased by 15.31% compared to the year before.

Fixed assets increased by 4.21 %, mainly as a result of completing a 2 M PLN investment in financial assets, i.e. OPTeam S.A. taking up shares in the Centre of Electronic Clearance Polish ePayment with its seat in Rzeszów (Polish ePayment). OPTeam S.A. took up 2,000,000 ordinary registered series E shares at nominal value of PLN 1 each, for the issue price of PLN 1 for each share through a private placement.

Current assets amounting to 30,373 K PLN as of the end of 2011 account for 50.36% of the overall assets, having increased by 28.83 % with regard to the year before, mainly as a result of an increase in trade receivables and inventories. The hike in receivables at the end of December (by 20.7 % compared to the year before) results from an accumulation of sales in November-December 2011. Like in most companies from the IT sector, the sales revenues at OPTeam S.A. are subject to seasonal fluctuations. Sales are usually at their highest in the fourth quarter of the year, and at their lowest in the first quarter. The seasonality effect as well as certain irregularity of revenues may lead to periodic disruptions of the financial performance. The increase in inventories: products, work in progress, goods (including third-party licences) compared to the year before is a result of contracts in progress at the turn of the business year.

In terms of liabilities, the value of equity increased by 11.45 % up to 19,855 K PLN, chiefly as a result of net profit generated for 2011 amounting to 1,953 K PLN. The significant share held by long-term liabilities (also including prepaid expenses in the form of received subsidies) disclosed at 10,410 K PLN as of the end of 2011 is mainly comprised of:

- 1) investment subsidies amounting to 9,954 K PLN (including the long-term section of 9,114 K PLN, and short-term section of 840 K PLN),
- 2) investment loan to finance CPNT, with the amount outstanding as of the balance sheet date 31 December 2011 amounting to 583 K PLN.

The amounts of subsidies recognised as Prepaid expenses received to finance acquisition or production of fixed assets, including capital work in progress, increase Other operating income, alongside depreciation or amortisation write-downs on fixed assets. Short-term liabilities may have increased by nearly 30 % compared to the year before, but they are adequate considering the scale of the Company's operations in the last quarter of the reporting period, and they do not include past-due liabilities to banks, suppliers, state budget or employees.

### 3) Cash flows.

OPTeam S.A. manages its liquidity risk by maintaining an adequate level of capital reserves, making use of banking services on offer, participating in EU co-financing programmes, monitoring anticipated and actual cash flows on an ongoing basis, as well as analysing maturity profiles of financial assets and liabilities.

Throughout 2011 as well as 2010, the Company maintained financial liquidity and met its liabilities in a timely manner, with regard to suppliers, employees as well as the State Treasury.

<b>CASH FLOWS in K PLN</b>	<b>From 01.01.2011 To 31.12.2011</b>	<b>From 01.01.2010 To 31.12.2010</b>
A. Cash flows from operating activities	3 339	1 154
B. Cash flows from investing activities	-4 163	-13 668
C. Cash flows from financing activities	691	12 282
<b>Net change in cash</b>	<b>-133</b>	<b>- 232</b>
<b>Closing balance of cash</b>	<b>378</b>	<b>511</b>

Cash flows from operating activities, after the expenses related to statutory activities were paid, were positive both in 2010 and in 2011, and moreover, last year the cash flow generated from core activities increased by 2,185 K PLN (increase by 189 %) compared to the year before.

Inflows from operating activities generated in 2011 were used by the Company to finance investments, including acquisition of tangible and intangible assets (total expenditure in 2011 amounted to 2.2 M PLN) and 2 M PLN on financial investments (acquisition of shares in PeP S.A.), as well as repayment of the investment loan by instalments (1 M PLN). With a view to planned and pending investments, the Company did not pay out dividend to the shareholders in 2011.

#### 4) Economic and financial ratios

<b>No</b>	<b>BASIC ECONOMIC AND FINANCIAL RATIOS</b>	<b>2011</b>	<b>2010</b>
1	Gross profit margin <i>(gross profit / sales)</i>	2.85%	3.92%
2	EBIT <i>(profit from operating activities / sales)</i>	3.22%	4.40%
3	EBITDA <i>(profit from operating activities + depreciation / sales)</i>	6.54%	6.79%
4	Net profit margin <i>(net profit / sales)</i>	2.46%	3.45%
5	Return on equity ROE <i>(net profit / equity)</i>	9.84%	11.64%
6	Return on assets ROA <i>(net profit / total assets)</i>	3.24%	3.97%
7	Current ratio <i>(current assets / short-term liabilities)</i>	1.01	1.02
8	Quick ratio <i>(current assets – inventories / short-term liabilities)</i>	0.88	0.94
9	Debt ratio <i>(total liabilities / total assets)</i>	0.67	0.66
10	Days sales outstanding <i>(average trade receivables* x number of days in period 365 / sales)</i>	106.23	111.08
11	Days inventory outstanding <i>(inventory* x number of days in period 365 / operating costs)</i>	13.50	10.54
12	Days payable outstanding <i>(trade payables* x number of days in period 365 / operating costs)</i>	91.77	91.75

\* formula for calculating the average value: (opening balance + closing balance) / 2

The Issuer announces that in the course of the business year covered by this Report there were no extraordinary factors or events which would affect the financial result.

### 3. Disclosure on the Issuer's core products or services.

The Issuer supplies specialist IT solutions in smart card systems and payment terminal software. The Company also delivers and integrates advanced ICT solutions related to data security, ERP-class enterprise management system implementations and integration of fiscal sales systems.

The table below contains a catalogue of key products and services offered by the Issuer divided into groups.

<b>Card systems</b>	
<b>Card systems</b>	OPTI proprietary products include the following systems: Electronic Student ID Card OPTIcamp, Customer Loyalty Card OPTIcard, Corporate Card OPTIpass and Electronic Purse OPTIcash. Applications from the OPTI series are implemented on-site or maintained at the OPTeam S.A. Data Center (hosting).
<b>Terminal software</b>	OPTeam S.A. manufactures software for payment terminals and back office systems used to e.g. handle card payments (incl. EMV compliant), prepaid cell phone credits, loyalty programmes, bulk payments etc.
<b>Internet systems</b>	The skills and products of OPTeam SA in the scope of designing and developing solutions effectively using internet technologies, for purposes including sales support systems, document and information flow, help desk, resource reservations, etc. Used jointly with card systems or independently by customers who do not use card solutions.
<b>ICT system integration</b>	
<b>Data storage and security</b>	Mass storage, backup systems, data archiving systems
<b>ICT networks</b>	Teletransmission networks, WAN, LAN, SDH and PDH communication systems, microwave radio relay, IDS/IPS systems, VPN secure networks, firewall systems, spam protection, AV anti-virus systems, secure wireless networks, secure logins to workstations.
<b>Developing infrastructure for Data Processing Centres (CPD)</b>	Server rooms, server room power supply systems, data racks, UPS emergency power systems, monitoring, remote consoles, air conditioning, access control systems, structural cabling.
<b>Data Centre equipment</b>	Servers, blade servers, server virtualisation systems, LAN/WAN active equipment
<b>Computer systems and software</b>	Configuration, selecting parameters, logistics for computer supplies such as: notebooks, desktops, terminals, palmtops, monitors, printers (including large format), projectors. Software - Microsoft, Lotus, Symantec, FSecure.
<b>Trainings</b>	Advanced training courses in Microsoft, Novell, Linux and Lotus.

<b>Integration of ERP business management systems.</b>	
<b>Delivery and implementation of advanced ERP-class IT systems</b>	OPTeam S.A. delivers industry-specific solutions for ERP systems covering: -project management for construction, -production process support, -electronic document flow, -high bay warehouse management, -processing orders, sales, maintenance and many other processes online (B2B system).
<b>Post-implementation assistance</b>	Apart from implementing ERP systems in businesses, OPTeam offers trainings and provides technical assistance once the implementation is completed.
<b>Fiscal sales systems</b>	
<b>Implementation and maintenance of fiscal sales system software</b>	The Issuer implements and maintains software for e.g. supermarkets, restaurants and hotels, petrol stations.
<b>Fiscal cash registers and printers</b>	OPTeam S.A. is the only distributor of Comp S.A. (Novitus) in Subcarpathia. Supplementary fiscal equipment in the Issuer's offer includes fiscal solutions made by Posnet Polska S.A. and ELZAB S.A.

#### **4. Disclosure on market and supply base**

Main markets for the Issuer's operations:

##### **1) Energy and gas supply (utilities).**

To the energy sector, the Issuer aims all of its integration-related offer, with special emphasis on data security systems. This includes:

- building comprehensive data processing centres (CPD),
- implementations of the proprietary Corporate Card system OPTIpass.

##### **2) Third-level education.**

The Issuer provides universities with solutions for integrating student ID card systems in the form of smart cards. The most popular module of student ID card system is OPTIcamp SELS.

Moreover, the Issuer specialises in integrating student card systems with systems operating outside the school, e.g. e-tickets for public transport.

##### **3) Industry.**

The Issuer has a comprehensive offer of enterprise IT systems. It includes implementation of security systems, building and equipping data processing centres, implementation of ERP enterprise management systems and maintenance services.

##### **4) Retail and service sector**

In this market, the Issuer offers all of its services related to IT systems, including:

- ICT system integration,
- implementation and maintenance of fiscal sales systems,
- implementation of Customer Loyalty Card systems OPTIcard,
- implementation of ERP systems.

The table below presents the geographical structure of sales divided to the domestic and international market in 2011 and with reference to 2010.

Description	31.12.2011		31.12.2010	
	Amount in PLN	% share	Amount in PLN	% share
Total sales, including:	77 100	100.00	59 057	100%
Domestic	76 867	99.70	58 817	99.59
Export	233	0.30	240	0.41

The Issuer declares that the accumulated revenue in 2011 with none of the customers or suppliers with regard to core product activities exceeded 10 % of total sales revenue.

**5. Disclosure on significant contracts for the Issuer's operations, including agreements concluded between shareholders known to the Issuer.**

In terms of core product activities, in 2011 the Issuer executed contracts whose total value exceeded 10% of equity with the following entities:

No	Customer	Turnover (in K PLN)
1	QUMAK-SEKOM S.A.	7 670
2	PGE Dystrybucja S.A.	4 418
3	AWF WARSZAWA	3 497
4	KSG Sp. z o.o.	3 305
5	Hamilton Sundstrand Poland Sp. z o.o.	3 245
6	INFOVER S.A.	2 573
7	AFS Pegasus Sp. z o.o.	2 454
8	Podkarpacka Akademia Przedsiębiorczości in Rzeszów	2 397

No	Supplier	Turnover (in K PLN)
1	Calltech Sp. z o.o.	7 502
2	VERACOMP S.A.	7 109
3	TECH DATA S.A.	5 934
4	ARROW ESC	3 727
5	GEMALTO POLSKA S.A.	3 601
6	COMP SA (NOVITUS)	2 585
7	ABC DATA S.A.	2 590
8	COMARCH	2 283

The Issuer is not aware of any agreements concluded in 2011 between shareholders.

## 6. Disclosure on organisational or equity relations of the Issuer with other parties.

In 2011, the Issuer was related by equity with: PeP S.A. and Elektra Sp. z o.o. (prior to consolidation date, i.e. 3 January 2011). Other related parties of the Company are members of its management and supervisory bodies, and their close family members.

The Issuer's equity related parties following consolidation with ELEKTRA Sp. z o.o. (consolidation date: 03.01.2011):

Name	Domicile	Share of OPTTEAM in authorised capital (%)	NOTES
Centrum Rozliczeń Elektronicznych Polskie ePłatności S.A. [Centre of Electronic Clearance Polish ePayment] – as an affiliate	Rzeszów	50%	The company was established on 18 January 2010 and registered by the Regional Court in Rzeszów, 12th Commercial Division of the National Court Register on 21 January 2010.

Core business of PeP S.A. includes processing transactions concluded with payment cards at POS terminals. The service is provided jointly with Bank BPH, who acts as a clearing agent pursuant to the Act of 24 August 2001 on settlement finality in payment systems and the Act of 12 September 2002 on electronic payment instruments.

Moreover, the Company provides the option of selling GSM phone credits, running customer loyalty programmes or paying bills with the use of the Bank BPH's product – Transkasa.

### Key capital investments in 2011

Description	Status as of 31.12.2011	Status as of 31.12.2010
<b>Financial assets total in PLN</b>	<b>5 994 584.71</b>	<b>3 994 584.71</b>
Stake in Polskie ePłatności S.A.	5 994 584.71	3 994 584.71

As of 31 December 2011, OPTeam S.A. held in its financial assets a 50% stake in Polskie ePłatności S.A.

On 8.11.2011, the Regional Court in Rzeszów, 12<sup>th</sup> Commercial Division of the National Court Register registered an increase in the authorised capital of the Centre of Electronic Clearance Polish ePayment. As a result of Polish ePayment issuing new series D and E shares, the authorised capital of the company was increased by PLN 4,000,000.00, that is from PLN 24,384,210.00 up to PLN 28,384,210.00.

The Issuer took up 2,000,000 ordinary registered series E shares at nominal value of PLN 1 each in the increased authorised capital of Polish ePayment, whereas 2,000,000 ordinary registered series D shares at nominal value of PLN 1 each were taken up by Polish Security Printing Works [Polska Wytwórnia Papierów Wartościowych S.A.] with its registered seat in Warsaw.

Following the authorised capital increase at Polish ePayment, the Issuer came to hold a combined 50% share in the authorised capital (series C and E shares) and 41.16% of votes at that company's General Meeting.

Shareholders of the Centre of Electronic Clearance Polish ePayment as of 31 December 2011

Description	Number of shares	Number of votes	Share of votes at the GMS (%)	Share nominal value in PLN	Share in equity (%)
OPTeam S.A. in Tajęcina	14 192 105	14 192 105	41.16%	14 192 105	50.00%
Polish Security Printing Works in Warsaw	14 192 105	20 288 158	58.84%	14 192 105	50.00%
<b>Total</b>	<b>28 384 210</b>	<b>34 480 263</b>	<b>100.00%</b>	<b>28 384 210</b>	<b>100.00%</b>

#### **Acquisition of treasury stock.**

In 2011, OPTeam did not acquire treasury stock. The Company holds 334 own shares, left over from the settlement of transactions executed in 2010.

#### **7. Disclosure on significant transactions concluded by the Issuer or its subsidiary with related parties not at arm's length.**

The Issuer announces that in the reporting period covered by this Report OPTeam S.A. did not conclude transactions with affiliated entities other than according to the arm's length principle. The value of transactions concluded in 2011 with related parties is disclosed in the Notes to the financial statement.

#### **8. Description of significant risk factors and threats, including the extent of exposure.**

##### **8.1. Risk related to the effect of macroeconomic situation on the Issuer's operations.**

The Issuer's financial situation depends on the economic situation in Poland and worldwide. The financial results achieved by the Company are affected by: GDP growth rate, inflation rate, unemployment rate as well as government fiscal and monetary policy and changes in consumption. These factors exert a strong influence on purchases of IT products. There is a risk that if the economic situation in Poland or worldwide deteriorates in the long term, the consumer demand drops or the government introduces economic policies that might have a negative impact on the Company's market standing, the financial results it generates may decline.

The Issuer's presence in economic sectors with promising future prospects, coupled with product and market diversification should limit any potential unfavourable macroeconomic tendencies.

##### **8.2. Risk related to technological changes in the sector and new product development.**

The IT sector is characterised by the fast development of solutions and technologies, hence the product life cycle in the market is relatively short. The Issuer's continued operations depend to a large extent on the ability to apply cutting-edge technological solutions in its products and services.

There is a risk that new solutions may appear in the market that will cause the Issuer's products to become unattractive and fail to ensure the receipts expected during design and development stage. Moreover, there is a risk that the new technological solutions designed or developed by the Issuer now or in the future fail to achieve the expected parameters, which would have a negative impact on the Issuer's ability to recover the costs incurred.

The Issuer continuously analyses the new trends appearing in the market of IT technology and product development and their potential applications, as well as establishes and maintains trade relations with key

customers. Based on those relations, staff trainings in new technology development are conducted. The Issuer makes efforts to maintain the high technological level of its proprietary solutions.

### **8.3. Risk of industry consolidation.**

Consolidation processes in the IT sector help reinforce the market position of several largest businesses, limiting growth potential of small and medium-sized enterprises in the ICT market. The strongest domestic businesses strive to take over weaker enterprises, especially from the SME sector, providing to niche segments of the IT market. As a result, the largest businesses expand their competences and gain access to new customer groups. If consolidation activities intensify significantly, the Issuer may lose its market position, which may lead to a decline in sales and financial performance of the Company.

The Issuer's Management Board anticipates dynamic growth of operations due to the completed and ongoing development works. The construction of the OPTeam SA Design Center of Modern Technologies in Tajęcina completed in 2010 (currently, the Company's head office), ongoing and planned development works in new proprietary products, building new skills in specialist services should help change the profile of Company sales increasing the share of proprietary products and specialist services. The Company also started territorial expansion in 2011, opening 3 new branches in Warsaw, Lublin and Cracow. Its goal is to reach out to new customers with the Company's comprehensive offer, the Issuer is also open to taking over smaller businesses from the sector to expand its offer and scope.

**In the coming years, these activities should improve the return on sales and increase the scale of operations, which should translate into increasing the Issuer's investment appeal.**

### **8.4. Risk of competition.**

Poland's accession to the European Union brought new players into the Issuer's playing field, operating on an international scale. Those entities are not the Issuer's main competitors, however. Due to a better knowledge of the domestic market, Polish companies pose a bigger threat to its competitive position. There is a risk of intensified competition in the areas of Issuer's activities, and if the Investor's response is not quick enough, it may lead to loss of market share, decline in sales and performance.

It should be highlighted that by having a numerous group of regular trade partners and a very flexible process of production and system implementation, as well as due to the adopted growth strategy, the Issuer should be able to considerably limit the effects of enhanced competition in its market.

### **8.5. Risk related to the suppliers' changed commercial terms.**

With regard to IT system integration, the Issuer supplies equipment and technologies from manufacturers which can be regarded as global market leaders. The bargaining power of those companies is often incomparably stronger than the Issuer's, and terms of cooperation with customers are usually determined centrally and are non-negotiable. In the Issuer's experience, an unfavourable change in the terms of cooperation with the equipment and technology suppliers may not be transferred directly to the terms of cooperation with the Company and its customers. As a result, the Company's rate of return and liquidity may deteriorate, in spite of the supplier diversification policy in place.

### **8.6. Risk related to IT projects executed by the Issuer.**

The scope of the Issuer's operations includes providing IT services, particularly with regard to systems based on smart card technologies, payment terminal software and integration of advanced IT solutions.

Agreements concluded between the Issuer and its clients provide for the Issuer to execute certain activities comprising an IT project. Within the framework of a single IT project, proper cooperation is necessary between the project team originating from the Company and employees delegated by the service buyer.

This generates a certain risk of human error. On the one hand, the conditions and circumstances of the service may be defined incorrectly by the service buyer's team, and on the other, the Issuer's staff may take an inappropriate approach. As a result, they may fail to deliver the right solution to the service buyer. This may lead to the latter incurring losses and consequently claiming damages from the Issuer, prolonging the involvement in the IT project, delaying payment. Such steps may have a negative impact on the Issuer's situation.

To minimise this risk, detailed control procedures are in place and the counterparty's requirements are specified in writing each time.

#### **8.7. Financial instruments with regard to price, credit risk and others.**

The Company is not significantly exposed to financial instrument risks, seen as the main financial instruments as of 31 December 2011 were cash in Polish currency, receivables and shares in Polish ePayment.

#### **9. Identification of proceedings at court, arbitration bodies of proper jurisdiction or public administration bodies.**

The Issuer discloses that in the reporting period there were no proceedings at court, arbitration bodies of proper jurisdiction or public administration bodies whose individual or combined value accounted for no less than 10% of the Issuer's equity.

#### **10. Disclosure on agreements regarding borrowings.**

##### **Agreement with Polska Kasa Opieki S.A. – working capital facility**

On 30 June 2008, the Issuer concluded the Overdraft Agreement with the Bank Polska Kasa Opieki S.A. with its seat in Warsaw (subsequently amended, latest amendment No 3 dated 31 May 2011). The agreement was concluded pursuant to the Agreement establishing general crediting terms dated 30 June 2008. The purpose of the Agreement is to extend a loan amounting to PLN 2,500,000 for a period up to 31 May 2012, providing for potential automatic extensions of the loan repayment period, under the terms specified in the Agreement. Use of the loan as of 31 December 2011 amounts to PLN 54,204.67.

##### **Agreement with Polska Kasa Opieki S.A. – working capital facility**

On 08 December 2011, the Issuer concluded an Agreement on a fixed-sum working capital credit facility with Polska Kasa Opieki S.A. with its seat in Warsaw. The purpose of the Agreement is to extend a loan amounting to PLN 4,000,000.00 for a period from 08 December 2011 to 15 February 2012. The loan funds will be used to finance purchases of materials, goods and services related to contract execution. Use of the loan as of 31 December 2011 amounts to PLN 2,741,562.43.

##### **Agreement with ING Bank Śląski S.A.- working capital facility**

On 29 June 2007, the Issuer concluded an Agreement on a PLN credit account with Bank ING Bank Śląski S.A. with its seat in Katowice (amended by: amendment no 10 dated 24.08.2011 and amendment no 11 dated 23.09.2011). Pursuant to the agreement in question, the bank entitled the Issuer to overdraw the bank account up to a cap of PLN 3,000,000.00 (between 24 August 2011 and 23 August 2012). The purpose of the loan is to finance Company's current business operations. Use of the loan as of 31 December 2011 amounts to PLN 57,807.84.

##### **Agreement with ING Bank Śląski S.A. – investment loan**

On 15 September 2009, the Issuer concluded an Agreement regarding a loan in PLN to finance investments with ING Bank Śląski S.A. with its seat in Katowice. The loan amounts to PLN 11,460,000 and it was granted for the period running from 15 September 2009 to 1 July 2013. To purpose of the loan is solely to finance and refinance an investment into the construction of the OPTeam S.A. Design Center of Modern Technologies in Tajęcina near Rzeszów, whereas the Issuer's own contribution into financing the investment is to amount to 20 per cent of its value (20% of the invoice net value). One of the terms for making the loan available was that the Issuer should submit the co-financing agreement for PLN 9,003,700 concluded with the Polish Agency for Enterprise Development within the framework of the Innovative Economy Operational Programme and assign the claim under

the agreement to the Bank. The Issuer concluded the agreement with the Polish Agency for Enterprise Development on 3 September 2009.

The remaining amount outstanding of the loan as of 31 December 2011 is PLN 1,583,270.00, which is consistent with the loan repayment schedule attached to the agreement with the bank.

### **11. Disclosure on loans, securities and bond issued and received in the course of the business year.**

Contingent liabilities include surety bonds furnished to the Issuer in connection with performance bonds and bid bonds. These bonds are temporary and result respectively from the terms of the product supply agreement and requirements of the tendering procedure.

Contingent liabilities in PLN	Status as of 31.12.2011	Status as of 31.12.2010
<b>Received insurance bonds – issued by PZU S.A., including:</b>	<b>454 536.21</b>	<b>454 536.21</b>
- performance bonds	655 774.48	314 536.21
- bid bonds in public tendering procedures	180 000.00	140 000.00

The Management Board of OPTeam S.A. on 25.02.2011 guaranteed jointly and severally with Polish Security Printing Works [Polska Wytwórnia Papierów Wartościowych w Warszawie S.A.; hereinafter PWPW), a loan for the Centre of Electronic Clearance Polish ePayment with its seat in Rzeszów (hereinafter Polish ePayment). The loan funds are to be used to develop the investments of Polish ePayment – an entity affiliated with OPTeam S.A. Loan surety has the form of an aval with a statement of execution. The Management Board of OPTeam S.A. jointly and severally with the Management Board of PWPW guaranteed loan agreements concluded between Polish ePayment and ING Bank Śląski S.A.:

- Investment loan agreement in the Polish zloty amounting to the total of PLN 3,000,000 (three million) with due date 01.02.2014. The loan was guaranteed jointly and severally with bank execution capped at PLN 4,500,000 (four million five hundred thousand) including authorisation for ING Bank Śląski to move with the court of proper jurisdiction to assign an enforceability clause by 1.02.2017;
- Multi-product loan agreement amounting to the total of PLN 10,000,000 (ten million) with due date on 20.02.2014. The loan was guaranteed jointly and severally with bank execution capped at PLN 15,000,000 (fifteen million zlotys) including authorisation for ING Bank Śląski to move with the court of proper jurisdiction to assign an enforceability clause by 27.02.2017.

Entity	Regon/ PESEL	Type of liability	Amount of liability ( PLN)	Period from - to
Centre of Electronic Clearance Polish ePayment with its registered seat in Rzeszów - security for the payment of debt under loan agreement concluded on 21.02.2011 no 676/2011/00003876/00, granted by ING Bank Śląski S.A. (investment loan in PLN - capped at PLN 3,000,000)	180523400	aval	Surety up to PLN 4,500,000	from 21.02.2011 to 01.02.2017

Centre of Electronic Clearance Polish ePayment with its registered seat in Rzeszów - security for the payment of debt under multi-product loan agreement concluded on 21.02.2011 or 676/2011/00003875/00, granted by ING Bank Śląski S.A. (credit limit PLN 10,000,000)	180523400	aval	Surety up to PLN 15,000,000	from 21.02.2011 to 27.02.2017
---	-----------	------	-----------------------------	-------------------------------

**12. Disclosure on how the Issuer used proceeds from the issue of securities in the period covered by the report.**

In 2011, the Issuer did not issue shares or bonds.

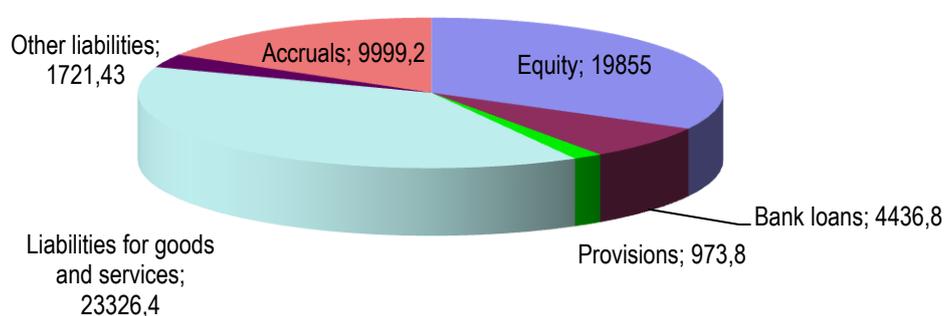
**13. The Management Board's position on the viability of performance forecasts published earlier.**

The Company did not publish forecasts for 2011.

**14. Management of financial resources.**

In 2011, OPTeam S.A. had financial resources – own funds and an investment loan, investment subsidies, allowing it to fully meet its financial liabilities, without risk of losing financial liquidity.

The structure of the Company's basic sources of financing as of 31 December 2011 is presented below (figures expressed in K PLN).



The Company's liquidity ratios as of 31 December 2011 amounted to:

Current ratio: 1.01

Quick ratio: 0.88

Cash in bank bears interest according to variable interest rates, the amounts of which depends on the interest rate on one-day bank deposits. Short-term deposits are deposited for various periods, from one day to one month, depending on the Company's current needs for cash and bear interest according to respective interest rates.

To secure its financial liquidity, in 2011 the Company was able to use working credit facilities within the framework of a multi-purpose credit line and an overdraft facility up to 9,500 K PLN, out of which as of the end of 2011 it had used 2,853.57 K PLN.

Adequate equity, secured loan agreements and financing structure of development works and investments guarantee that the Company will remain fully liquid in the following business year.

### ***15. Investment plan viability assessment, including capital investments.***

Having completed (in 2010) a large investment – construction of OPTeam SA Design Center of Modern Technologies – currently the Issuer's head office, in 2011 OPTeam S.A. did not execute capital or replacement investments.

### ***16. Characteristics of external and internal factors significant to the development of the Issuer's enterprise and a description of the Issuer's development outlook at least up to the end of the business year.***

The Issuer's Management Board regards the potential of the IT market in 2012 as similar to that of 2011. The macroeconomic environment is uncertain to such an extent that predictions regarding the behaviour of the market as a whole may be subject to significant forecast error. Macroeconomic uncertainty translates directly into customers reducing their IT budgets. Such a situation augurs very strong competition in 2012 in tendering for new contracts, especially large integration projects. When bidding for such projects, OPTeam competes with large domestic integrators who, due to turnover, benefit from better commercial terms with distributors. Such competition, even if the project is awarded, translates into a low margin upon execution. That is why it will be important in 2012 and consecutive years to seek new market niches with relatively low competition and adjusting the Company's offer to the new financial conditions of the clients resulting from the economic downturn – flat rates for using the products, rather than investing in purchase and implementation.

The Management Board of OPTeam S.A. sees a promising opportunity for company growth in placing an emphasis on sales of proprietary services and products employing current market trends, i.e. new sales models of IT products/services, such as the "cloud" (SaaS) or business process outsourcing (ITaaS). Boosting the sales of cloud computing services/products making use of the already available Data Center infrastructure will have a favourable influence on the stability of sales in consecutive years and gradual increase of generated profit. In 2012, product verification will be conducted and products offering opportunities for multiple sales in SaaS delivery model will be developed, the service portfolio will be expanded with a special focus on the opportunities provided by the proprietary Data Center, marketing and sales of proprietary services and products will be modified. These activities will underlie a definite change in the company sales profile in the subsequent years (2013-14).

**17. Changes in basic management principles of the Issuer's enterprise.**

In 2011, the Issuer effected a formal consolidation with its subsidiary ELEKTRA Sp. z o.o. (court registered on 3 January 2011). The consolidation took place by transfer of all the assets of ELEKTRA Sp. z o.o., as the Acquired Company, onto OPTeam S.A., as the Acquiring Company, in return for shares that the Acquiring Company issued to the partner of the Acquired Company.

Once the consolidation with ELEKTRA Sp. z o.o. was completed, changes were made to the Issuer's organisational structure. A new ERP Systems Department was added to existing departments, to handle implementations and development of proprietary ERP products.

Also, new local organisational units of regional range (branches) were established in Warsaw, Lublin and Cracow.

**18. All agreements concluded between the Issuer and management officers, providing for compensation in the event of resignation or dismissal without cause, or if their dismissal or termination is due to the Issuer's consolidation through acquisition.**

In 2011, the Issuer did not conclude agreements with management officers, providing for compensation in the event of resignation or dismissal without cause, or if their dismissal or termination is due to the Issuer's consolidation through acquisition.

**19. Remuneration, bonuses or benefits, including under incentive or bonus programmes based on the Issuer's capital for management and supervisory officers.**

Disclosure regarding remuneration, specified separately for each management and supervisory officer, is presented in the Notes to the financial statement.

**20. Specification of the total number and nominal value of all of the Issuer's shares as well as shares in the Issuer's related parties, held by management and supervisory officers (individually).**

As of 31.12.2011, OPTeam S.A. shares were held by the following management and supervisory officers:

Shareholder	Number of shares and votes at GM of OPTeam S.A.	Nominal value in PLN	% of overall number of shares and votes at GM of OPTeam S.A.
Janusz Bober – Chairman of the Supervisory Board	1 375 000	137 500	18.84%

Andrzej Pelczar – President of the Management Board	1 375 000	137 500	18.84%
Ryszard Woźniak – Proxy	1 375 000	137 500	18.84%
Wacław Szary – Vice President	404 795	40 479.50	5.55 %

On 6.09.2011 a change in the structure of blocks of shares took place due to acquisition by Wacław Szary of 5 129 shares which led to an increase from 5.47% to 5.55% of his share in the authorised capital and in the overall number of votes at the GM of OPTeam S.A.

**21. Disclosure on agreements known to the Issuer (including those concluded after the balance sheet date), which may in the future lead to changes in the stakes held by current shareholders.**

To the best of their knowledge, the Management Board has no information on agreements (including those concluded after the balance sheet date), which may in the future lead to changes in the stakes held by current shareholders.

**22. Disclosure on the control system of the employee stock ownership plan.**

In 2011, the Company did not implement an employee stock ownership plan.

**23. Representation of the Management Board regarding corporate governance.**

In 2011, the Company complied with the principles of corporate governance collected in the Code of Best Practice for WSE Listed Companies, adopted on 20.10.2011 by the WSE Supervisory Board. The content of Best Practices is available on the web page of the Warsaw Stock Exchange in the section: <http://corp-gov.gpw.pl/publications.asp>

1) Identification of corporate governance principle that the Issuer does not observe on a permanent basis.

I. Recommendations for best practices of listed companies	Application: YES/NO	STATEMENT OF REASONS
1.Enable online broadcast of the proceedings of the General Meeting over the Internet, record proceedings and make them public on the company's web page.	NO (permanently)	The Management Board believes that the legal regulations applied by the Company with regard to the participation of Shareholders in General Meetings provide ample opportunity for active involvement and participation in decision-making. At the same time, the Management Board will consider applying this principle if there is considerable interest from the Shareholders in this form of communications during General Meetings and

		adequate safety can be ensured.
5. The company should have a remuneration policy and rules of defining the policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 on fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company.	NO (permanently)	The Company does not have a document laying down the rules of remuneration for the members of the Company's bodies. Remuneration of the Management Board is determined by the Supervisory Board, whereas the remuneration of the Supervisory Board is determined by the General Meeting. The scope and amounts of remuneration are determined in proportion to the responsibility for the tasks and function in the given body.
9. WSE recommends that public companies and their shareholders ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' business.	NO (permanently)	The Company does not use a gender bias in appointments to positions or functions in management or supervisory bodies. Decisions on appointments to a given body are made autonomously by the authorised entities solely based on the candidates' qualifications and competence.
<b>III. Best Practices of Supervisory Board Members</b>		
8. Annex I to the <i>Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors...</i> should apply to the tasks and activities of the committees of the Supervisory Board.	NO (permanently)	Seen as the Company's Supervisory Board is composed of the legally required minimal number of members, audit committees are not created within its framework, with the function fulfilled by the entire Supervisory Board. If the number of Supervisory Board members increases in the future, pursuant to applicable legal regulations, the appropriate committees will be established. The Supervisory Board, in its tasks and activities does not apply Annex I to the EC Recommendation of 15 February 2005 on the role of non-executive or supervisory directors (...)

2) Characteristics of the internal control and risk management systems in place at OPTeam S.A. with regard to the process of drawing up financial statements and consolidated financial statements.

The internal control system at OPTeam S.A. is the basic tool ensuring a reliable assessment of operational risk. It provides information and financial data underlying the financial statements. Responsibility for the system lies with the Management Board. The internal control system is based on the following structure:

- 1) Verification of budget assumptions.  
The Company draws up an annual financial plan which is comprised of budgets prepared by individual operational departments. Compliance with budget assumption is verified periodically by the Company's Management Board. In that way, preventive measures can be undertaken in advance.
- 2) Division of powers and responsibilities.  
The Company has clearly divided powers and responsibilities. The Management Board verifies on an ongoing basis whether individual organisational units fulfil their obligations.
- 3) Verification of financial statements by independent external auditors.

Pursuant to the applicable legal regulations, the financial statements drawn up by the Management Board are verified by independent external auditors. Outcomes of the assessment are subject to publication.

Taking into account the input data described above, the Company systematically analyses risk areas related to business operations. The Management Board identifies and evaluates those risks. Actions are defined to eliminate uncertainty and optimally reduce the unfavourable factors which might disturb the organisation in certain areas. Such a verification is also periodically conducted by the Supervisory Board.

Moreover, the Management Board verifies the methods applied by individual organisational units to achieve their goals, their scopes of activities, provisions of internal regulations, procedures and internal normative acts of the Management Board.

### 3) Identification of shareholders directly or indirectly holding significant stakes in OPTeam S.A.

According to the information available to the Company, as of 31.12.2011 stakes exceeding 5% of the overall number of votes at the General Meeting of OPTeam S.A. were held by the following Shareholders:

Shareholders	Number of shares and votes at the GMS	% share in authorised capital and overall number of votes at the GMS
Janusz Bober	1 375 000	18.84 %
Andrzej Pelczar	1 375 000	18.84 %
Ryszard Woźniak	1 375 000	18.84 %
Wacław Irzeński	1 375 000	18.84 %
Supernova Fund S.A.	661 854	9.07 %
IDEA TFI S.A.	411 039	5.63 %
Wacław Szary	404 795	5.54 %

The Management Board of OPTeam S.A. discloses that as of 31.12.2011 none of the shareholders held special control powers related to holding shares of OPTeam S.A. Nor were there any restrictions on exercising voting rights, or restrictions on transferring security ownership rights, apart from the principles stipulated in the generally applicable regulations on trading in financial instruments.

### 4) Changes in the composition of the Management Board and description of rules governing appointments and dismissals of executive officers and their powers, especially the right to decide on issuing or redeeming shares.

As of 31.12.2011, the Management Board was composed of:

Andrzej Pelczar	President of the Management Board
Bogdan Niziołek	Vice President of the Management Board
Wacław Szary	Vice President of the Management Board

During the period covered by this report, the Management Board of OPTeam S.A. was composed of:

Janusz Bober	President of the Management Board - up to 28.06.2011
Andrzej Pelczar	President of the Management Board - after 28.06.2011, Vice President of the Management Board - up to 28.06.2011
Wacław Szary	Vice President of the Management Board - after 28.06.2011
Bogdan Niziołek	Vice President of the Management Board - after 28.06.2011

According to the provisions of the Articles of Association of OPTeam S.A., the Management Board consists of one or more management board members appointed for a joint term of office. Management Board Members, including the President, are appointed and dismissed by the Supervisory Board, which specifies the number of Management Board Members in the given term of office.

The mandate of a Management Board Member expires at the latest on the day of the General Meeting approving the financial statement for the last full business year in the course of the given term of office of the Management Board, so whose last day falling on 31 December was within the term of office of the Management Board counted in years from the date of appointment of the first Management Board Member of that term of office. The mandate of a Management Board Member, appointed prior to the end of the given term of office, expires at the same time as the mandates of all the other Management Board Members.

The Supervisory Board may dismiss a Management Board Member or the entire Board at any time. In the event of compelling reasons, the Supervisory Board may suspend some or all Management Board Members. If the entire Management Board is dismissed before the end of the term, the term of the new Management Board runs from the beginning.

Management Board Members may be dismissed or suspended by the General Meeting.

Works of the Management Board are directed by the President of the Management Board.

Resolutions of the Management Board are passed by a simple majority of votes. In the case of split votes, the President's vote breaks the tie.

The detailed operating procedure of the Management Board, as well as issues which can be addressed to its individual members, are specified in the Bylaws of the Management Board. The Bylaws are resolved by the Management Board, and approved by the Supervisory Board.

If the Management Board is composed of more than one person, to represent the Company two Board Members must cooperate or a Board Member jointly with the proxy.

To perform specific actions or specific types of actions, individuals may be authorised to act independently or in twos or threes within the scope of their powers. The Management Board keeps a record of the authorisations issued.

If the Management Board is composed of one person, the sole Management Board Member is authorised to make representations and sign on behalf of the Company.

In agreements, including those specifying terms of employment, and in other legal activities and disputes between the Company and Management Board Members, the Company shall be represented by the Supervisory Board. Representations on behalf of the Supervisory Board are made by the representative delegated by resolution of the Supervisory Board. The resolution of the Supervisory Board should specify terms of the agreement or legal activity referred to in the first sentence above.

The following issues require resolutions of the Management Board:

- a) to determine the development strategy for the Company and its Group,
- b) to approve the Company's material and financial plans,
- c) to approve the Company's asset and capital investment plans,
- d) to adopt organisational regulations specifying the Company's enterprise organisation,
- e) to decide on establishing or closing of the Company's organisational units,
- f) to approve the annual statement on the Company's operations, consolidated statement on the Group's operations and the annual financial statement of OPTeam S.A. and the Group's consolidated financial

- statement, in ample time providing for the Supervisory Board to express its opinion on those documents and for the General Meeting to approve them, pursuant to the applicable regulations,
- g) to determine the "Bylaws of the Management Board" and amend them,
  - h) to appoint proxies and representatives,
  - i) to convene Ordinary and Extraordinary General Meetings, as well as propose agendas and draft resolutions.

The detailed operating procedure of the Management Board is specified in the Bylaws of the Management Board.

Powers regarding decisions to issue or redeem shares, under the Commercial Companies Code and the Company's Articles of Association, are vested in the General Meeting.

#### 5) Composition and powers of the Supervisory Board as the supervising body.

As of 31.12.2011, the Supervisory Board included:

Janusz Bober	Chairman of the Supervisory Board
Wiesław Roman Zaniewicz	Vice Chairman of the Supervisory Board
Janusz Gajdek	Secretary of the Supervisory Board
Marcin Lewandowski	Supervisory Board Member
Adam Leda	Supervisory Board Member

During the period covered by this report, the Supervisory Board of OPTeam S.A. was subject to the following changes:

Janusz Bober	Chairman of the Supervisory Board – after 28.06.2011
Wiesław Zaniewicz	Chairman of the Supervisory Board – up to 28.06.2011
	Vice Chairman of the Supervisory Board – after 28.06.2011
Aleksander Bobko	Secretary of the Supervisory Board – up to 28.06.2011
Janusz Gajdek	Vice Chairman of the Supervisory Board – up to 28.06.2011
	Secretary of the Supervisory Board – after 28.06.2011
Grzegorz Leszczyński	Supervisory Board Member - up to 28.06.2011
Marcin Lewandowski	Supervisory Board Member
Adam Leda	Supervisory Board Member - after 28.06.2011

The Supervisory Board exercises ongoing supervision over the Company's operations. According to the Articles of Association, the Supervisory Board is composed of no fewer than 5 and no more than 7 members.

Apart from other competences specified in the Articles of Association, particularly Art. 22 section 2 of the Articles, in the Commercial Companies Code and other legal regulations, the Supervisory Board is obliged to:

- a) once a year, draw up and present to the Ordinary General Meeting a brief assessment of the Company's situation, including the evaluation of internal controls and risk management system,
- b) once a year, conduct and present to the General Meeting a self-evaluation of its work,
- c) consider and provide opinion on issues to be subject to resolutions at the General Meeting.

Apart from issues stipulated in the Act, other provisions of the Articles of Association or resolutions of the General Meeting, the powers and duties of the Supervisory Board include:

- a) to audit the annual Balance Sheet and Profit & Loss Statement and ensure their verification by certified auditors,
- b) to audit and express opinion on the Management Report,
- c) to submit to the General Meeting a written report on activities referred to in items a) and b),
- d) to approve the Company's long-term and annual material and financial plans, as well as asset and capital investment plans,
- e) to evaluate the Management Board's conclusions regarding distribution of profit or coverage of loss,
- f) to appoint and dismiss individual Management Board Members or the entire Board,
- g) to suspend some or all Management Board Members for cause,
- h) to determine rules of remuneration for the Management Board Members, conclude contracts with them and represent the Company in matters between the Company and a Management Board Member,
- i) to approve appointment of proxies,
- j) to consent to the disposal, acquisition or encumbrance of the Company's assets, share in property or perpetual usufruct of property,
- k) to consent to transactions involving incurring liabilities, debt exemption, disposal, acquisition or encumbrance of the Company's assets, if the amount of the given transaction should exceed PLN 4,000,000.00 (in words: four million);
- l) to consent to the Company making donations and sponsorship, if the amount of related transactions should exceed PLN 200,000.00 (in words: two hundred thousand),
- m) to delegate Supervisory Board Members to temporarily fulfil the duties of the Management Board Members who were suspended, dismissed or who are otherwise unable to perform their function, as well as in the case of dismissing the entire Management Board or when the Management Board is otherwise unable to act, and to determine remuneration due to the delegated Supervisory Board Members,
- n) to consent to establishing a branch of the Company,
- o) to select the certified auditor to audit the Company's financial statements
- p) to approve the Bylaws of the Management Board.

The Company did not appoint the audit committee, its functions are performed by the Supervisory Board Members, which is permissible under law and the Articles of Association (the Supervisory Board currently consists of 5 members).

The detailed operating procedure and powers of the Supervisory Board are specified in the Articles of Association and Bylaws of the Supervisory Board.

#### 6) Description of principles for amending the Articles of Association of OPTeam S.A.

Pursuant to Art. 26 item 5 of the Articles of Association, a resolution of the General Meeting is required to amend the Articles of Association of OPTeam S.A. The resolution on amending the Articles is passed by a  $\frac{3}{4}$  vote majority.

#### 7) Operating procedure of the General Meeting, its fundamental powers, shareholders' rights and ways of exercising them.

The Company's General Meeting may proceed as an ordinary or extraordinary meeting.

The Ordinary General Meeting is convened by the Management Board no later than within six months after the end of the business year.

The Supervisory Board may convene the Ordinary General Meeting, if the Management Board fails to convene it within the timeframe stipulated in the Commercial Companies Code.

The Supervisory Board or shareholders representing no less than half of the authorised capital or no less than half of the votes may convene the Extraordinary General Meeting. When the Extraordinary General Meeting is convened by shareholders, they appoint the chairperson of that Meeting.

The agenda of the General Meeting is decided by the Management Board.

The Supervisory Board and shareholders representing no less than 1/20 part of the authorised capital may demand that particular issues are put on the agenda of the nearest General Meeting.

The demand to put issues on the agenda of the General Meeting should be submitted no later than 21 days prior to the appointed date of the Meeting and should include a statement of reasons or a draft resolution concerning the proposed item on the agenda. Changes in the agenda introduced by request of the Shareholders should be announced by the Management Board no later than 18 days prior to the Meeting date in a manner appropriate to convening the General Meeting.

The following issues require resolutions of the General Meeting:

- 1) consider and approve the Company's annual financial statements, annual reports on operations, as well as the Group's consolidated financial statements and Group's report on activities for the prior business year,
- 2) acknowledge the fulfilment of duties by members of the Supervisory and Management Boards,
- 3) decide on distribution of profit and coverage of losses, as well as on how to dedicate funds created from profit,
- 4) appoint Supervisory Board Members and determine rules of remuneration of Supervisory Board Members,
- 5) amend the Articles of Association, including increasing and reducing the authorised capital, unless the provisions of the Commercial Companies Code or the Articles provide otherwise,
- 6) any provisions regarding claims for compensation of damage inflicted during establishing the Company or exercising supervisory or management powers,
- 7) consent to the disposal or lease of the enterprise or an organisational unit thereof, and establishing limited property rights thereupon,
- 8) decide on share redemption and consent to acquisition of shares to be redeemed as well as specify the terms of redemption,
- 9) consent to issuing bonds, including convertible bonds and pre-emptive bonds,
- 10) dissolve, liquidate and transform the Company and consolidate it with another company,
- 11) create and dissolve capital reserves and other capitals and funds of the Company,
- 12) approve the Bylaws of the Supervisory Board,
- 13) enact and amend Bylaws of the General Meeting.

Pursuant to the provisions of the Bylaws of the General Meeting, only people who were Shareholders of the company sixteen days prior to the date of the General Meeting (registration date of participation in the General Meeting) are eligible to participate in it.

A person entitled under dematerialised bearer shares of a listed company may request, no earlier than the publication of the General Meeting announcement and no later than on the first working day after registering participation in the General Meeting, that the securities depository should issue a personal certificate of entitlement to attend the General Meeting.

The Company determines the list of shareholders entitled to participate in the Ordinary General Meeting pursuant to the list provided by the National Depository for Securities (KDPW), drawn up on the basis of personal certificates of entitlement to attend the General Meeting issued by the securities depository.

Proxy rights to attend the General Meeting and exercise voting rights shall be granted in writing or in electronic form. Proxy voting forms are available as of the date of convening the General Meeting on the Company's web site.

Shareholders shall notify the Company about appointing a proxy in electronic form, using the Company's email address provided in the General Meeting announcement.

In the notice, the Shareholder should provide their telephone number and email address, as well as the proxy's telephone number and email, by means of which the Company may contact the Shareholder and proxy. The proxy notification should also specify the scope of authorisation, i.e. indicate the number of shares under which the voting rights will be exercised and the General Meeting date when they will be exercised.

Alongside the proxy notification in electronic form, the Shareholder shall send the letter of authorisation, excluding proxy voting instruction, a scan of their personal ID card or of another document identifying the authorising Shareholder and the proxy. If authorisation is granted by a body corporate or an organisational unit without legal personality but with legal capacity, the Shareholder shall submit a scan of the register entry wherein it is registered or a scan of another document confirming due authorisation of persons acting on behalf of such an entity. If authorisation is granted to a body corporate or an organisational unit without legal personality but with legal capacity, the Shareholder shall additionally submit a scan of the register entry wherein the proxy is registered or a scan of another document confirming the existence of such an entity.

Notification about appointing and/or revoking a proxy in electronic form should be submitted no later than three working days prior to the General Meeting date.

The Company will undertake due measures to confirm the identity of the Shareholder and proxy to verify the validity of authorisation granted in electronic form.

The detailed operating procedure of the General Meeting and powers of this governing body, as well as the powers of shareholders and how they can be exercised, are described in the appropriate provisions of the Articles of Association of OPTeam S.A. and the Bylaws of the General Meeting. These documents are published on the Company's website.

#### ***24. Disclosure on agreements with the certified auditor.***

**The disclosure concerning agreements with the certified auditor is presented in Note no 43 in the Notes to the annual financial statement for 2011.**

#### **Management Board of OPTeam S.A.**

- 1) Andrzej Pelczar – President of the Management Board
- 2) Waclaw Szary – Vice President of the Management Board
- 3) Bogdan Niziolek – Vice President of the Management Board

Tajęcina, 20 March 2012