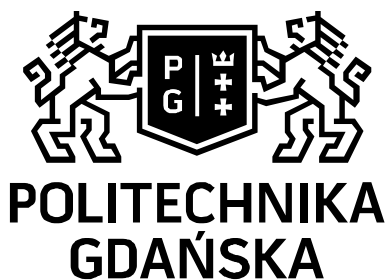


# **Corporate Governance in ABC Data SA**

**Authors:**

Adam Czarnecki

Bartosz Julkowski



Gdańsk University of Technology

2014-02-14

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# 1 General Info

ABC Data SA is a leading IT hardware distributor in Central and Eastern Europe. It has been present on Polish market for over 20 years (from 1990)<sup>1</sup>.

ABC Data SA runs direct business operations in Poland, the Czech Republic, Slovakia, Romania, Lithuania, Latvia, Estonia and Hungary, claiming to have the most comprehensive portfolio on the market, comprising 56,000 products from over 300 leading suppliers<sup>2</sup>. The company offers such products as<sup>3</sup>: computers, peripheral devices, accessories, consumables, components, computer networks, software, telecommunications, mobiles, consumer electronics, audio-visual equipment, major home appliances, small home appliances, gaming, office supplies and own brand of products Colorovo<sup>4</sup> (tablets, inks and toners, products for the office, computer cases).

ABC Data SA offers not only the wide range of products giving its clients the availability to the latest technologies, but also complimentary services<sup>5</sup>:

1. Services for suppliers to manage software localisation for the markets in which the company operates (manuals, packaging, certificates, technical data and marketing materials published online), organising marketing efforts targeted both at end users (create demand, launch new products) and retailers (competitions, incentives, promotions, PR), providing IT system supporting virtual inventory management for the suppliers.
2. Logistics solutions that support delivery from the own warehouses and directly from the warehouses of the suppliers, as well as order picking, cost optimisation and customisation of complaints procedures. Also any documents, including invoices generated on behalf of the clients can be prepared and dispatched.
3. Sales support — both technical and trading advice, both directly and with manufacturer support. In the case of non-standard products and large contracts, assistance in negotiating special prices and technical support from the manufacturer can be offered. The company may deliver products to the end user, add documentation, accessories or security mechanisms and labels for use in retail.
4. InterLink — a system going beyond the functionality of an e-commerce platform, that makes it easier to obtain technical support, negotiate prices, generate offers for end users, manage daily promotions, compare products, view technical specifications and photographs, check product availability and delivery dates. It also provides the base, on which many of the clients have built their own BiznesLink and ResellerWeb e-commerce solutions.

The operations of the company take into consideration the business, social and environmental aspects all in equal measure, using long-term sustainable development as

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<sup>1</sup>20 years on the market, [http://en.abcddata.eu/20\\_years\\_on\\_the\\_market](http://en.abcddata.eu/20_years_on_the_market) (accessed: 2014-02-13)

<sup>2</sup>About company, [http://en.abcddata.eu/about\\_company](http://en.abcddata.eu/about_company) (accessed: 2014-02-11)

<sup>3</sup> Products, <http://en.abcddata.eu/products> (accessed: 2014-02-13)

<sup>4</sup> Colorovo, <http://en.abcddata.eu/colorovo> (accessed: 2014-02-13)

<sup>5</sup> ABC Data services, [http://en.abcddata.eu/abc\\_data\\_services](http://en.abcddata.eu/abc_data_services) (accessed: 2014-02-13)

the very foundation of its success. ABC Data SA has its own development strategy including accepting responsibility for the condition of the natural environment and the society<sup>6</sup>. ABC Data (sp. z o.o.)'s first PN-EN ISO 9001:2001 certificate (Quality Management System. Requirements), valid for three years, was obtained in August 2006. In 2009, ABC Data SA renewed the ISO certificate in its "new" PN-EN ISO 9001:2009 version. Audits are carried out annually by the certifying body (TÜV Rheinland Polska Sp. z o.o.) to confirm that ABC Data SA complies with certificate requirements<sup>7</sup>.

ABC Data SA is a leading IT distributor in Central and Eastern Europe. The company came out on top of the main Computerworld TOP 200<sup>8</sup> ranking and was the largest IT company in Poland in 2012. ABC Data was number one in the main Computerworld TOP 200 ranking. With 2012 sales of PLN 3.7 billion, the Company was the largest IT enterprise in Poland in 2012. For the third year in a row, it was also the largest IT hardware distributor in Poland.

ABC Data has been growing rapidly for 20 years. The main idea behind the business model is to expand the portfolio continually, so as to enable clients to purchase all the products they need, at the best prices. The company also tries to make sure that purchasing from ABC Data is as simple as possible. The powerful InterLink system, which had been developed over many years, has become a model for many solutions in IT distribution. It allows users to compare products, to generate trade offers automatically and to set up their own online stores. The logistics solutions minimise the time and cost of delivery on any market where ABC Data Group is present<sup>9</sup>.

Undoubtedly, ABC Data SA is a mature company with high standards of business management and strong market position, but in order to get to know the inner workings of the organization and the source of competitive advantages, one should look beyond what can be seen at the first glance.

## 2 Corporate Governance Code

ABC Data SA—like all Polish companies listed on Warsaw Stock Exchange—is expected to obey the code of best practice which is a set of rules and standards governing relations between companies and their market environment. The assessment of compliance of company's operations with the rules can give insight into the importance that the organization attaches to relations with both the internal and external business environment, especially with the shareholders and stakeholders. Unfortunately, it is not easy for the external researcher to evaluate whether every particular provision of the code is obeyed. For instance whether company makes every effort to ensure that any cancellation of a general meeting or a reschedule does not prevent or restrict the exercise of the shareholders' right to participate in a general meeting; whether

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<sup>6</sup> Sustainable development, [http://en.abcddata.eu/sustainable\\_development](http://en.abcddata.eu/sustainable_development) (accessed: 2014-02-13)

<sup>7</sup> Quality management system, [http://en.abcddata.eu/quality\\_management\\_system](http://en.abcddata.eu/quality_management_system) (accessed: 2014-02-13)

<sup>8</sup> ABC Data największą polską firmą IT, <http://www.crn.pl/news/wydarzenia/badania-rynku/2013/06/abc-data-najwieksza-polska-firma-it> (accessed: 2014-02-13)

<sup>9</sup> About company, [http://en.abcddata.eu/about\\_company](http://en.abcddata.eu/about_company) (accessed: 2014-02-13)

a member of the supervisory board has appropriate expertise and experience and is able to devote the time necessary to perform his or her duties; whether each member of the supervisory board acts in the interests of the company and forms independent decisions and judgment etc. There are also recommendations that may not concern the particular organization (e.g. there may be no interest conflicts so there will be no statements given by the members of supervisory board; there may be no resignations from the members of the members of supervisory board etc.). Due to the pointed limitations, only the principles that can be clearly assessed as fulfilled or not, will be taken into account.

## **2.1 Compliance with the CG Best Practices**

ABC Data SA fully complies with the code of best practices in corporate governance in the following areas:

1. Recommendation to pursue a transparent and effective information policy using both traditional methods and modern technologies and latest communication tools ensuring fast, secure and effective access to information. The part of the web page dedicated for investors is based on the model presented by WSE<sup>10</sup>.
2. Recommendation to operate a corporate website and publish on it, in addition to information required by legal regulations:
  - a. basic corporate regulations, in particular the statutes and internal regulations of its governing bodies<sup>11</sup>,
  - b. professional CVs of the members of its governing bodies<sup>12</sup>,
  - c. current and periodic reports<sup>13</sup>,
  - d. annual reports on the activity of the supervisory board taking account of the work of its committees together with the evaluation of the internal control system and the significant risk management system submitted by the supervisory board<sup>14</sup>,
  - e. information about the reasons for cancellation of a General Meeting, change of its date or agenda together with grounds<sup>15</sup>,
  - f. information on corporate events such as payment of the dividend, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles of such operations. Such information should be published within a timeframe enabling investors to make investment decisions<sup>16</sup>,
  - g. where the company has introduced an employee incentive scheme based on information about the projected cost to be incurred by the company from the introduction of an employee incentive scheme based on shares<sup>17</sup>,

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<sup>10</sup> [http://en.abcddata.eu/for\\_investors](http://en.abcddata.eu/for_investors)

<sup>11</sup> [http://en.abcddata.eu/corporate\\_governance/corporation\\_documents](http://en.abcddata.eu/corporate_governance/corporation_documents)

<sup>12</sup> [http://en.abcddata.eu/company\\_authorities](http://en.abcddata.eu/company_authorities)

<sup>13</sup> [http://en.abcddata.eu/stock\\_exchange\\_reports](http://en.abcddata.eu/stock_exchange_reports)

<sup>14</sup> [http://en.abcddata.eu/general\\_meetings\\_of\\_shareholders](http://en.abcddata.eu/general_meetings_of_shareholders)

<sup>15</sup> E.g. [http://www.abcddata.com.pl/files/general\\_assembly/ogloszenie\\_o\\_zmianie\\_porzadku\\_obrad\\_zwz\\_abc\\_data\\_s.a.pdf](http://www.abcddata.com.pl/files/general_assembly/ogloszenie_o_zmianie_porzadku_obrad_zwz_abc_data_s.a.pdf)

<sup>16</sup> E. g. [http://en.abcddata.eu/files/general\\_assembly/20110630\\_projekt\\_uchwaly\\_28\\_zwz\\_eng.pdf](http://en.abcddata.eu/files/general_assembly/20110630_projekt_uchwaly_28_zwz_eng.pdf),

[http://en.abcddata.eu/files/general\\_assembly/the\\_resolutions\\_adopted\\_at\\_the\\_ordinary\\_general\\_meeting\\_of\\_the\\_company\\_on\\_june\\_29\\_2012.pdf](http://en.abcddata.eu/files/general_assembly/the_resolutions_adopted_at_the_ordinary_general_meeting_of_the_company_on_june_29_2012.pdf) (Resolution no. 9)

<sup>17</sup> [http://en.abcddata.eu/files/general\\_assembly/rb\\_28\\_2011\\_tresc\\_uchwal\\_podjetych\\_na\\_zwz\\_zalacznik\\_eng.pdf](http://en.abcddata.eu/files/general_assembly/rb_28_2011_tresc_uchwal_podjetych_na_zwz_zalacznik_eng.pdf) (resolution no. 22)

- h. a statement on compliance with the corporate governance rules<sup>18</sup>,
  - i. 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<sup>19</sup>.
3. Recommendation that company's website is also available in English<sup>20</sup>.
  4. Recommendation to set the place and date of a general meeting so as to enable the participation of the highest possible number of shareholders. As can be deducted from the list of resolutions adopted over last years, mostly given votes represented over 80% of share capital.

## **2.2 Non-compliance with the CG Best Practices**

ABC Data SA does not comply the code in case of:

1. Recommendation to broadcast general meetings over the Internet and register or publish the proceedings at general meetings on its website, as most of the shareholders of the company participate in general meetings directly. Complying with its disclosure obligations, in particular by publishing current reports and publishing information on its website, the company has been providing shareholders with access to information concerning general meetings. The management board further declares that if a major group of shareholders voice such need, the management board shall take reasonable efforts to comply with the rule<sup>21</sup>.
2. The obligation of having a remuneration policy and applicable rules. The company confirms that the remuneration rules of members of the supervisory board are set by the general meeting. The supervisory board determines remuneration rules and the amounts of remuneration of members of the management board. The company has no document setting forth the rules to determine remuneration policy. The amounts of remuneration of members of the bodies of the Company are disclosed in annual reports<sup>22</sup>.
3. Recommendation addressed at public companies and their shareholders to ensure a balanced participation of women and men in performing managing and supervising functions is not applied now. The proportions of participation of women and men in the company's supervisory board and management board depend on willing candidates that turn up, such candidates' skills, professionalism and competences and decisions of the shareholders and members of the supervisory board of the company. The company does not preclude balanced participation of women and men<sup>23</sup>. There is also no information about the participation of women and men in the management and supervisory board of the company available on the web page.

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<sup>18</sup> [http://en.abcddata.eu/files/raporty\\_lad/lad\\_korporacyjny\\_en.pdf](http://en.abcddata.eu/files/raporty_lad/lad_korporacyjny_en.pdf)

<sup>19</sup> [http://www.abcddata.com.pl/files/reports\\_stock/oswiadczenie\\_zarzadu\\_skonsolidowane.pdf](http://www.abcddata.com.pl/files/reports_stock/oswiadczenie_zarzadu_skonsolidowane.pdf)

<sup>20</sup> <http://en.abcddata.eu>

<sup>21</sup> [http://en.abcddata.eu/files/raporty\\_lad/lad\\_korporacyjny\\_en.pdf](http://en.abcddata.eu/files/raporty_lad/lad_korporacyjny_en.pdf)

<sup>22</sup> [http://en.abcddata.eu/files/raporty\\_lad/lad\\_korporacyjny\\_en.pdf](http://en.abcddata.eu/files/raporty_lad/lad_korporacyjny_en.pdf)

<sup>23</sup> [http://en.abcddata.eu/files/raporty\\_lad/lad\\_korporacyjny\\_en.pdf](http://en.abcddata.eu/files/raporty_lad/lad_korporacyjny_en.pdf)

### 3 Shareholders

#### 3.1 From One Owner to the Stock Exchange

The current ownership structure of ABC Data SA is a result of almost 30 years old history of ABC Data. Most significant changes in the ownership structure since 1985 till Initial Public Offer (IPO) in 2010 are presented in Table 1.

**Table 1 Important events in ABC Data SA shareholders structure**<sup>24,25,26,27,28,29,30</sup>

Year	Event
1985	ABC DATA Import und Export GmbH founded in Bonn (Germany) by Krzysztof Musiał
1990	ABC Data Sp. z o.o. established as a software and hardware distributor (founder and owner: Krzysztof Musiał)
1995	ABC Data becomes part of the NASDAQ-listed CHS Electronics group
1998	CHS Electronics shares transferred from NASDAQ to NYSE
1999	According to "Wprost" weekly Krzysztof Musiał repurchases shares from CHS Electronics which struggles with financial problems
2000	Actebis Holding GmbH (German electronics manufacturer) buys 100% shares of ABC Data: 40% from CHS Electronics and 60% from Krzysztof Musiał, the founder and the President of ABC Data (2000-03-30)
2007	ABC Data Holding SA established; it acquires 100% shares of ABC Data Sp. z o.o.
2007	MCI Investment Fund SA buys 80% shares of ABC Data Holding SA, 20% remains in Actebis Holding GmbH hands
2010	All assets of ABC Data Sp. z o.o. are transferred to ABC Data Holding SA; in result a new company is established: ABC Data SA
2010	ABC Data SA debut on Warsaw Stock Exchange (2010-06-17)

<sup>24</sup> Od 20 lat na rynku, [http://www.abcddata.com.pl/od\\_20\\_lat\\_na\\_rynku](http://www.abcddata.com.pl/od_20_lat_na_rynku) (accessed: 2014-02-11)

<sup>25</sup> Ludzie Wprost — Krzysztof Musiał, <http://ludzie.wprost.pl/sylwetka/Krzysztof-Musial/> (accessed: 2014-02-11)

<sup>26</sup> ABC Data S.A. — Historia firmy, <http://webcache.googleusercontent.com/search?q=cache:W280taX7Eb8l:www.abcddata.com.pl/about/history/?L%3D2%252Cq%252C> (accessed: 2014-02-11)

<sup>27</sup> O ABC Data..., <http://web.archive.org/web/19970529205318/http://www.abcddata.com.pl/> (accessed: 2014-02-11)

<sup>28</sup> Grupa Actebis obwieszcza przejęcie ABC Data, <http://web.archive.org/web/20001027015850/http://notes.abcddata.com.pl/network/www.nsf/c3245d2d96307e3ec1256831005a5550/bfe621dae270b5bfc12568b2004e4ce4?OpenDocument> (accessed: 2014-02-11)

<sup>29</sup> Informacja o zmianie właściciela ABC Data Sp. z o.o., [http://web.archive.org/web/20080913233133/http://www.abcddata.com.pl/news\\_read.asp?id=709](http://web.archive.org/web/20080913233133/http://www.abcddata.com.pl/news_read.asp?id=709) (accessed: 2014-02-11)

<sup>30</sup> Historia firmy, <http://web.archive.org/web/20110123074058/http://www.abcddata.com.pl/podstrony/o-firmie/historia-firmy/> (accessed: 2014-02-11)

The founder and the first owner of ABC Data, **Krzysztof Musiał** (see: Figure 1), is a graduate of the Warsaw Polytechnic as well as France's prestigious INSEAD School of Business in Fontainebleau, where he was awarded his MBA in 1979. For the next 10 years he worked in England, the US and Germany. In the years 1990–2001, he headed ABC Data Ltd, a firm he established in Warsaw that was one of the pioneers and then the leader on the Polish IT market. For some years now, he has been sponsoring various artistic initiatives in Poland and abroad: exhibitions, concerts, theatrical and operatic performances, master classes for young singers, and literary works; he also lends his support to national museum collections in Poland. He is the owner of an important collection of Polish paintings, drawings and sculptures. In 2002, he was the winner of the “Patron of the Arts” award. He is a member of the Museum Council for the National Museum in Krakow<sup>31</sup>. Krzysztof Musiał occasionally displays works from his gallery in ABC Data SA headquarters<sup>32</sup>. The company is also a “creative partner” of Musiał’s gallery called “aTAK”<sup>33</sup>.

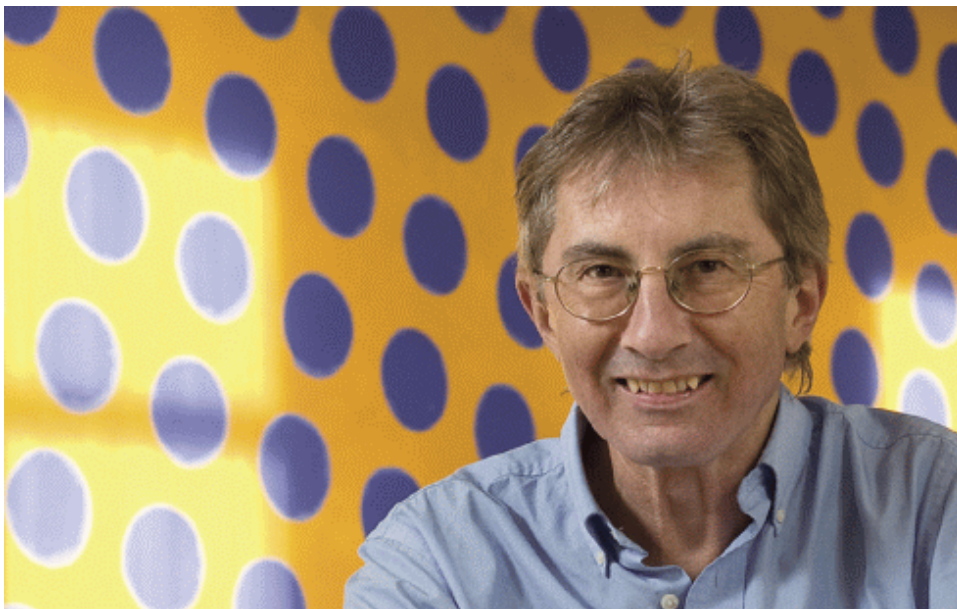


Figure 1 Krzysztof Musiał in his aTAK Gallery<sup>34</sup>

### 3.2 Current ownership structure

The current structure of ABC Data SA shareholders is presented in Figure 2. As one can see there are four major owners of stocks with ABCD Management Sp. z o.o. Sp. komandytowa as a leader with 41,02% of shares. Also a more detailed analysis of the “Other shareholders” category reveals that ABC Data SA is in possession of 1,08% of own stocks (treasury shares).

<sup>31</sup> Galeria aTAK — Mecenat artystyczny, <http://www.atak.art.pl/en/o-nas/11-mecenat/11-mecenat-artystyczny.html> (accessed: 2014-02-13)

<sup>32</sup> Słynna kolekcja Krzysztofa Musiała w ABC Data!, [http://www.abcddata.com.pl/aktualnosci/62.slynnna\\_kolekcja\\_krzysztofa\\_musiala\\_w\\_abc\\_data](http://www.abcddata.com.pl/aktualnosci/62.slynnna_kolekcja_krzysztofa_musiala_w_abc_data) (accessed: 2014-02-13)

<sup>33</sup> Kreatywne partnerstwo ABC Data z Galerią aTak, [http://www.abcddata.com.pl/aktualnosci/31.kreatywne\\_partnerstwo\\_abc\\_data\\_z\\_galeria\\_atak](http://www.abcddata.com.pl/aktualnosci/31.kreatywne_partnerstwo_abc_data_z_galeria_atak) (accessed: 2014-02-13)

<sup>34</sup> Jadcak A.: Krzysztof Musiał — Computerworld, <http://www.computerworld.pl/artykuly/353861/Krzysztof.Musial.html> (accessed: 2014-02-13)



## Percentage of share capital /voting rights

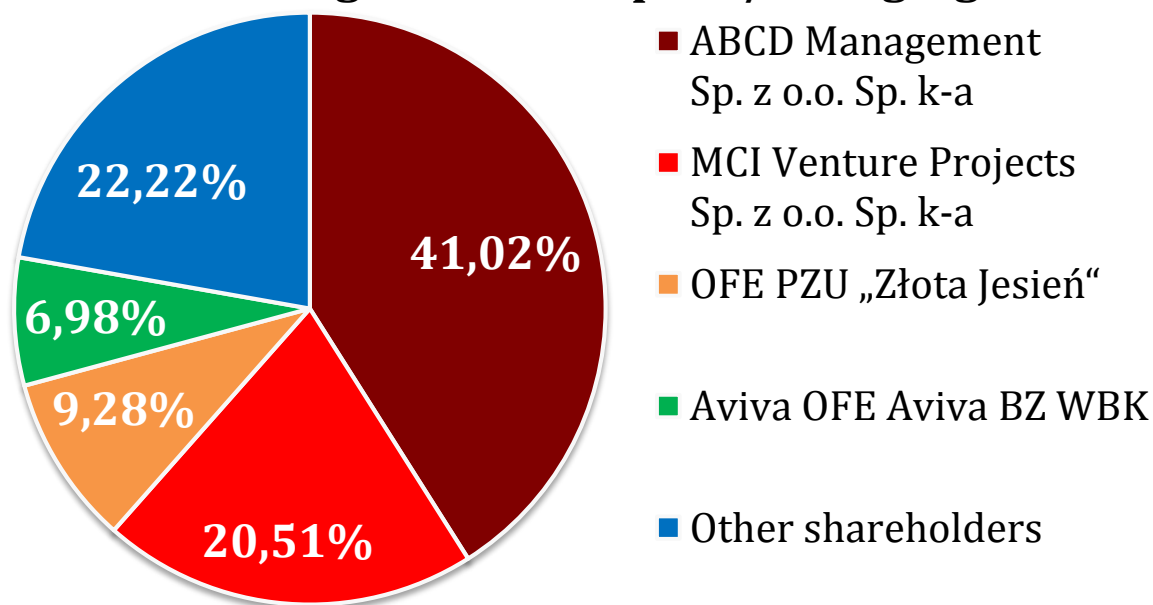


Figure 2 The shareholder's structure of ABC Data SA<sup>35</sup>

Table 2 Shares and votes distribution among shareholders of ABC Data SA<sup>36,3738</sup>

Shareholder	Number of shares / votes at the General Meeting of Shareholders	Percentage of share capital / voting rights
ABCD Management Sp. z o.o. Sp. k-a	51 375 378	41,02%
MCI Venture Projects Sp. z o.o. Sp. k-a	25 685 000	20,51%
OFE PZU „Złota Jesień“	11 624 678	9,28%
Aviva OFE Aviva BZ WBK	8 741 426	6,98%
ABC Data SA	1 351 853	1,08%
Other shareholders	26 472 368	21,13%
$\Sigma$	125 251 703	100,00%

Till 2013-11-19 ABC Data SA had one more major shareholder: German company Arthur Holding with 11 094 400 shares (8,86%). These shares were sold to 16 investors<sup>39</sup>.

<sup>35</sup> Major shareholders, [http://en.abcddata.eu/major\\_shareholders](http://en.abcddata.eu/major_shareholders) (accessed: 2014-02-11)

<sup>36</sup> Major shareholders, [http://en.abcddata.eu/major\\_shareholders](http://en.abcddata.eu/major_shareholders) (accessed: 2014-02-11)

<sup>37</sup> GPW.pl - Stock card - ABCDATA | ABC | PLABCDT00014, [http://www.gpw.pl/karta\\_spolki\\_en/PLABCDT00014/#shareholders](http://www.gpw.pl/karta_spolki_en/PLABCDT00014/#shareholders) (accessed: 2014-02-11)

<sup>38</sup> ABCDATA - Akcjonariusze - Giełda Wyborcza.biz, <http://wyborcza.biz/Gieldy/0.114541...ABC.html> (accessed: 2014-02-11)

<sup>39</sup> Arthur Holding wycofał się z ABC Daty, <http://www.parkiet.com/artykul/7.1348266.html> (accessed: 2014-02-12)

There were also rumours that MCI Management SA is willing to withdraw from ABC Data SA, but because of the Arthur Holding supersession the company had to postpone its plans.

When we compare the number (or percentage) of shares with the number of votes we see that all 125 251 703 shares has the same voting rights (see: Table 2).

Further analysis of the ownership structure at ABC Data SA brings another interesting findings (see: Figure 3). Both ABCD Management Sp. z o.o. Sp. k-a and MCI Venture Projects Sp. z o.o. Sp. k-a have a common owner. A chain of investment funds leads to MCI Management S.A. In fact MCI Management S.A. controls 61,53% of shares (and votes) at the General Meeting.

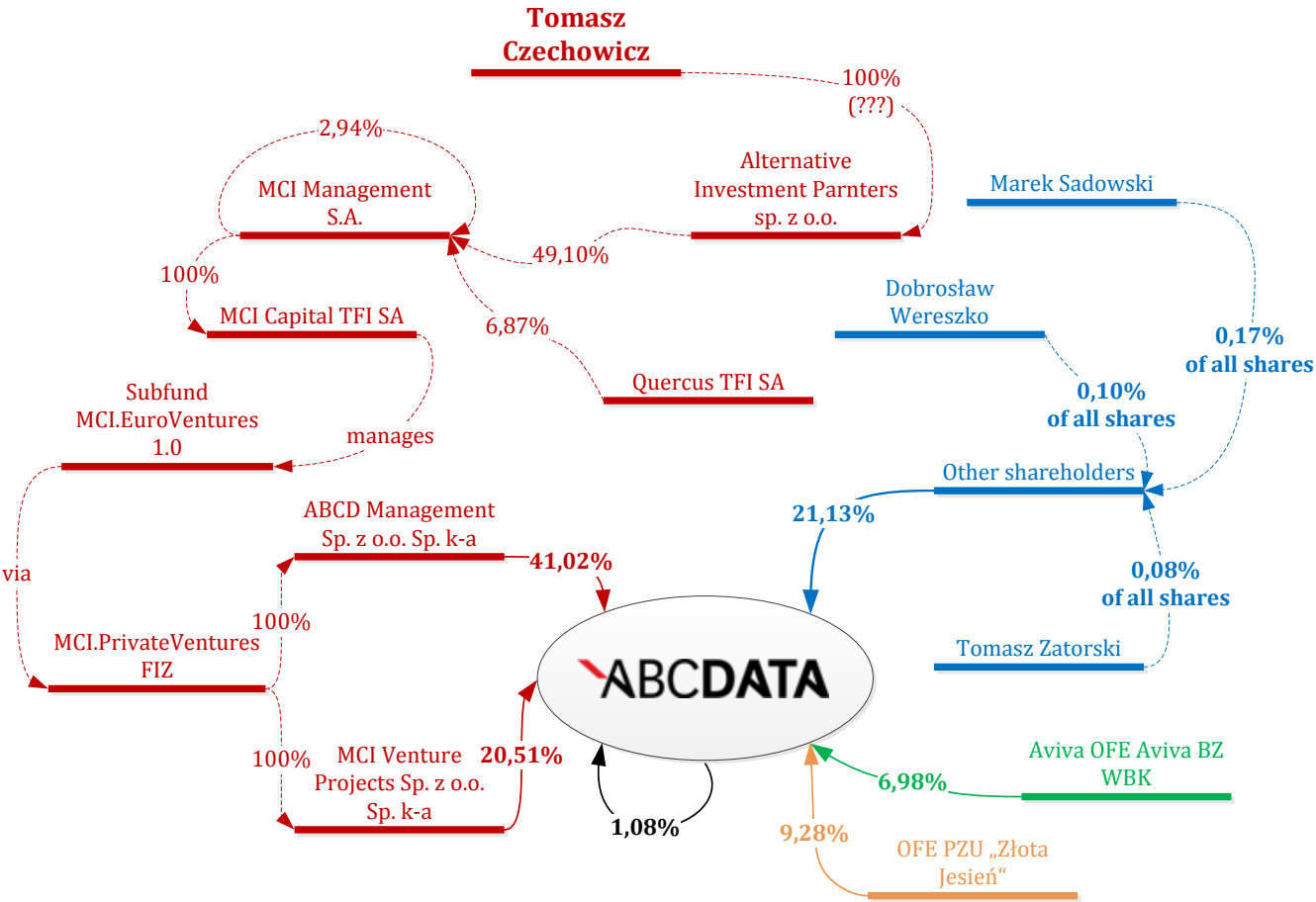


Figure 3 ABC Data SA ownership dependencies

More in-depth research on MCI Management S.A. owners shows that almost half of its shares (49,10%) is in hands of Alternative Investment Partners sp. z o.o.<sup>40</sup> which is controlled by Tomasz Czechowicz<sup>41</sup>, who—at the same time—is a President of MCI Management S.A.

<sup>40</sup> KRS 0000029655 ALTERNATIVE INVESTMENT PARTNERS SP. Z O.O., NIP 8961158226, <http://www.krs-online.com.pl/alternative-investment-partners-sp-z-o-o-krs-27707.html> (accessed: 2014-02-12)  
<sup>41</sup> Alternative Investment Partners zwiększa zaangażowanie w MCI, <http://www.wirtualnemedia.pl/arttykul/alternative-investment-partners-zwieksza-zaangazowanie-w-mci> (accessed: 2014-02-12)

### 3.3 Who is Tomasz Czechowicz?

**Tomasz Janusz Czechowicz** (born June 23, 1970) is a graduate of Wroclaw University of Technology, Warsaw School of Economics and Executive MBA at the University of Minnesota.



Figure 4 Tomasz Czechowicz in 2012<sup>42</sup>

In the years 1990–1998 was a Co-founder and CEO of JTT Computer SA, which he build into a leading Central European PC-assembly and distribution operations with USD 100M+ revenue.

In 1999 a prosecution along with the tax office accused the company and its board of tax avoidance<sup>43</sup>. JTT Company SA was obliged to pay 10M PLN of underpaid tax. In 2003 Supreme Administrative Court of Poland adjudged that there was no infringement in JTT Company SA operations and that all the undue tax (with interest) must be returned to the company. While waiting for the verdict to become final, JTT Computer had to declare bankruptcy. The 46M PLN of compensation from the State Treasury went to MCI Management SA, which was the shareholder of JTT Computer SA<sup>44</sup>.

Along with Roman Kluska from Optimus Tomasz Czechowicz became a symbol of Polish entrepreneurs oppressed by the state's tax service<sup>45</sup>.

From May 1998 Founder and CEO of MCI Group. After acquisition of funding throw IPO on the Warsaw Stock Exchange in 2001 the value of MCI's investment portfolio grew from USD 8M to more than USD 200M.

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<sup>42</sup> Wikimedia Commons, [http://commons.wikimedia.org/wiki/File:Tomasz\\_Czechowicz.png](http://commons.wikimedia.org/wiki/File:Tomasz_Czechowicz.png) (accessed: 2014-02-12)

<sup>43</sup> Jdaczak A.: Prezesowi i czterem pracownikom JTT Computer SA przedstawiono zarzuty popełnienia przestępstw gospodarczych. JTT stanowczo zaprzecza zarzutom, <http://www.computerworld.pl/news/340/> (accessed: 2014-02-12)

<sup>44</sup> Jdaczak A.: MCI otrzyma odszkodowanie za upadek JTT, <http://www.computerworld.pl/news/369184/> (accessed: 2014-02-12)

<sup>45</sup> Ministerstwo Finansów, Biała księga JTT Computer i Optimus SA, [http://www.archbip.mf.gov.pl/bip/files/\\_podatki/biala\\_ksiega/biala\\_ksiega.pdf](http://www.archbip.mf.gov.pl/bip/files/_podatki/biala_ksiega/biala_ksiega.pdf) (accessed: 2014-02-12)

Tomasz Czechowicz has won numerous prestigious awards, including<sup>46</sup>:

- Best Manager of the Year 2007 — the title was awarded for the successful implementation of MCI Group's strategy and proves that Tomasz Czechowicz is one of New Europe's most successful managers in the Innovative Economy.
- Already in 2001, the World Economic Forum in Davos named Tomasz Czechowicz Global Leader for Tomorrow, in recognition of his remarkable understanding of the market, professionalism, vision and organizational effectiveness.
- One of the ten most influential people in European Internet, according to Business Week's TOP 10 ranking in 2000.

### **3.4 Shareholders details**

It seems that ultimately Tomasz Czechowicz is the one who “pulls the strings” in ABC Data SA even if he has not got a single share of this company. His presence in the bodies of companies related to ABC Data SA is eminent. However the formal direct ownership of ABC Data is rather transparent. and presented in the following paragraphs.

#### **3.4.1 ABCD Management Sp. z o.o. Sp. k-a (41,02%)**

ABCD Management Sp. z o.o. Sp. k-a (established 2011-02-17)<sup>47</sup> is a subsidiary of MCI Management SA via a chain of investment funds<sup>48</sup>. As its name may suggest, this company has been founded as a mean to control shares in ABC Data SA. Both members of the Management Board at ABCD Management Sp. z o.o. Sp. k-a, Magdalena Pasecka and Tomasz Czechowicz, and are also board members in MCI Management SA<sup>49</sup><sup>50</sup>. They also share the same postal address: 00-113 Warsaw, ul. Emilii Plater 53.

#### **3.4.2 MCI Venture Projects Sp. z o.o. Sp. k-a (20,51%)**

MCI Venture Projects Sp. z o.o. Sp. k-a (est. 2012-07-26)<sup>51</sup> is a subsidiary of MCI Management SA. via a chain of investment funds<sup>52</sup>. President of MCI Venture Projects Sp. z o.o. Sp. k-a, Tomasz Czechowicz, is also a President of the board in MCI Management SA. The other board member, Konrad Sitnik, was also recently employed in MCI Management SA (among others: a President of the Board) and MCI Capital TFI SA. Both companies are registered at the same address: 00-113 Warsaw, ul. Emilii Plater 53.

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<sup>46</sup> Company authorities, [http://en.abcddata.eu/company\\_authorities](http://en.abcddata.eu/company_authorities) (accessed: 2014-02-12)

<sup>47</sup> MCI Management SA (poprzez ABCD Management sp z o.o. SKA, MCI Venture Projects sp. z o.o. SKA) - Portfel inwestora - StockWatch.pl - akcje i notowania giełdowe, informacje raporty analizy i wyceny spółek, GPW i New Connect, [http://www.stockwatch.pl/inwestor/MCI-Management-SA-\(poprzez-ABCD-Management-sp-z-oo-SKA-MCI-Venture-Projects-sp-z-oo-SKA\).aspx](http://www.stockwatch.pl/inwestor/MCI-Management-SA-(poprzez-ABCD-Management-sp-z-oo-SKA-MCI-Venture-Projects-sp-z-oo-SKA).aspx) (accessed: 2014-02-11)

<sup>48</sup> Zbycie akcji Spółki przez ABCD Management Sp. z o.o. spółka komandytowo-akcyjna, [http://i.wp.pl/a/f/espi/201305/0000240909\\_Zawiadomienie\\_MCI.pdf](http://i.wp.pl/a/f/espi/201305/0000240909_Zawiadomienie_MCI.pdf) (accessed: 2014-02-12)

<sup>49</sup> KRS 0000378394 ABCD MANAGEMENT SP. Z O.O. S.K.A., NIP 5252504518, <http://www.krs-online.com.pl/abcd-management-sp-z-o-o-spolka-krs-686875.html> (accessed: 2014-02-11)

<sup>50</sup> Team | MCI, <http://mci.eu/about-mci/team/> (accessed: 2014-02-11)

<sup>51</sup> KRS 0000427985 MCI VENTURE PROJECTS SP. Z O.O. S.K.A., NIP 5252535430, <http://www.krs-online.com.pl/mci-venture-projects-sp-z-o-o-spolka-krs-758512.html> (accessed: 2014-02-11)

<sup>52</sup> Zbycie akcji Spółki przez ABCD Management Sp. z o.o. spółka komandytowo-akcyjna, [http://i.wp.pl/a/f/espi/201305/0000240909\\_Zawiadomienie\\_MCI.pdf](http://i.wp.pl/a/f/espi/201305/0000240909_Zawiadomienie_MCI.pdf) (accessed: 2014-02-12)

### 3.4.3 OFE PZU „Złota Jesień“ (9,28%)

OFE PZU „Złota Jesień”, the third largest open pension fund in Poland as at the end of June 2013, both in terms of its members (2,2 million) and net assets under management (PLN 36,6 billion). It is managed by PTE PZU<sup>53</sup>.

Registered address: ul. Nowogrodzka 47 A, 00-695 Warszawa

### 3.4.4 Aviva OFE Aviva BZ WBK (6,98%)

Aviva OFE Aviva BZ WBK is the largest open pension fund in Poland, managed by Aviva PTE Aviva BZ WBK S.A. Operations of the Open Pension Fund (OFE) were launched on March 1, 1999.

Owners:

- Aviva PTE Aviva BZ WBK Życie S.A. — 50%
- CGU International Insurance plc — 30%
- Bank BPH SA — 10%
- Bank Zachodni WBK SA — 10%

Initial capital of the Comprehensive Pension Company (PTE): 137 million PLN<sup>54</sup>

Registered address: ul. Prosta 70, 00-838 Warszawa

### 3.4.5 ABC Data SA (1,08%)

ABC Data SA keeps 1,08% of its shares in a treasury. In recent years the company has increased the number of treasury shares. Authors of this report have found no information about any form of cross-sharing between ABC Data SA and other companies.

### 3.4.6 Other shareholders (21,13%)

Other shareholders possess 21,13% shares of ABC Data SA. Most of them can be simply called a “free float”. However there are some individual shareholders who should be mentioned in terms of corporate governance because of their current or former positions in ABC Data SA (see: Table 3).

These people are:

- **Marek Sadowski:** former President of Management Board at ABC Data SA (from 2007-07-25<sup>55</sup> till 2011-08-31<sup>56</sup>); now a Vice President of the Supervisory Board, member of Supervisory Board Audit Committee.

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<sup>53</sup> PZU Investor Relations, <http://www.pzu.pl/relacje-inwestorskie/spolka#> (accessed: 2014-02-11)

<sup>54</sup> Aviva Powszechne Towarzystwo Emerytalne Aviva BZ WBK SA, [http://www.aviva.pl/o\\_naszej\\_firmie/aviva-powszechne-towarzystwo-emerytalne-aviva-bz-wbk-sa.html](http://www.aviva.pl/o_naszej_firmie/aviva-powszechne-towarzystwo-emerytalne-aviva-bz-wbk-sa.html) (accessed: 2014-02-11)

<sup>55</sup> Paślawski K., Marek Sadowski wejdzie do rady nadzorczej ABC Daty?, <http://www.crn.pl/news/wydarzenia/ludzie/2011/09/marek-sadowski-wejdzie-do-rady-nadzorczej-abc-daty> (accessed: 2014-02-12)

<sup>56</sup> Onet Gięda - ABC DATA S.A.: Zmiany w składzie Zarządu ABC Data S.A., <http://gięda.onet.pl/abc-data-sa-zmiany-w-skladzie-zarządu-abc-data-sa.18886.68826.1.komunikaty-detaj> (accessed: 2014-02-12)

- **Dobrosław Wereszko:** a member of the Management Board in ABC Data SA (since 2011-09-01<sup>57</sup>).
- **Tomasz Zatorski:** former member of the Management Board (from 2011-09-01<sup>58</sup> till 2013-03-06<sup>59</sup>) and CFO, in ABC Data since 1999.
- **Ulrich Kottmann:** President of the Supervisory Board at ABC Data SA, member of Supervisory Board Audit Committee and Remuneration Committee
- **Wojciech Łastowiecki:** former Vice President in ABC Data SA (from 2011-04-01<sup>60</sup> till 2013-12-06<sup>61</sup>).

Table 3 Some individual shareholders of ABC Data SA<sup>62</sup>

Shareholder	Number of shares / votes at the General Meeting of Shareholders	Percentage of share capital / voting rights
Marek Sadowski	214 446	0,17%
Dobrosław Wereszko	125 800	0,10%
Tomasz Zatorski	105 162	0,08%
Ulrich Kottmann	7 220	0,00%
Wojciech Łastowiecki	2 700	0,00%

### 3.5 Stock value

Figure 5 presents the value of ABC Data SA shares at Warsaw Stock Exchange from 2010-07-09 till 2014-02-10.

The minimum value (1,74 PLN per share) was recorded on 2012-11-16, three days after publishing a Q3 report with showing underperformance of the company. The highest peak (4,67 PLN) was achieved on 2013-11-12, in that that that a President of MCI Management SA, Tomasz Czechowicz, announced that ABC Data SA is expected to have a 100M+ EBITDA in 2014 and a week before Arthur Holding sold all of its ABC Data SA shares (8,86%).

<sup>57</sup> Onet Giełda - ABC DATA S.A.: Zmiany w składzie Zarządu ABC Data S.A., <http://giełda.onet.pl/abc-data-sa-zmiany-w-skladzie-zarzadu-abc-data-sa.18886.68826.1.komunikaty-detaj> (accessed: 2014-02-12)

<sup>58</sup> Onet Giełda - ABC DATA S.A.: Zmiany w składzie Zarządu ABC Data S.A., <http://giełda.onet.pl/abc-data-sa-zmiany-w-skladzie-zarzadu-abc-data-sa.18886.68826.1.komunikaty-detaj> (accessed: 2014-02-12)

<sup>59</sup> Onet Giełda - ABC DATA S.A.: Zmiany w składzie Zarządu ABC Data S.A., <http://giełda.onet.pl/abc-data-sa-zmiany-w-skladzie-zarzadu-abc-data-sa.18886.179280.1.komunikaty-detaj> (accessed: 2014-02-12)

<sup>60</sup> Onet Giełda - ABC DATA S.A.: Zmiany w składzie Zarządu ABC Data S.A., <http://giełda.onet.pl/abc-data-sa-zmiany-w-skladzie-zarzadu-abc-data-sa.18886.55635.1.komunikaty-detaj> (accessed: 2014-02-12)

<sup>61</sup> Onet Giełda - ABC DATA S.A.: Odwołanie Wiceprezesa Zarządu Spółki, <http://giełda.onet.pl/abc-data-s-a-odwolanie-wiceprezesa-zarzadu-spolki.18886.215554.komunikaty-detaj> (accessed: 2014-02-12)

<sup>62</sup> ABC DATA - Akcjonariat: akcjonariusze - Akcje - Onet Giełda, <http://giełda.onet.pl/abc-data.18648.101.7.8626.profile-akcjonariat> (accessed: 2014-02-12)



Figure 5 Value of ABC Data SA stocks from 2010-07-09 to 2014-02-10<sup>63</sup>

## 4 Company Governing Bodies

According to the company's *Articles of Association*<sup>64</sup> § 8 there are three bodies established to govern ABC Data SA. These are:

1. Management Board,
2. Supervisory Board,
3. General Meeting.

The two first of the aforementioned elements of the company governance are briefly described in following sections.

<sup>63</sup> GPW.pl - Stock card - ABCDATA | ABC | PLABCDT00014, [http://www.gpw.pl/karta\\_spolki\\_en/PLABCDT00014/#chart](http://www.gpw.pl/karta_spolki_en/PLABCDT00014/#chart) (accessed: 2014-02-11)

<sup>64</sup> ABC Data SA — Articles of Association, [http://en.abcddata.eu/files/raporty\\_lad/articles\\_of\\_association\\_uniform\\_text\\_20120629.pdf](http://en.abcddata.eu/files/raporty_lad/articles_of_association_uniform_text_20120629.pdf) (accessed: 2014-02-11)

#### 4.1 Management Board

The Management Board of ABC Data SA shall be composed of one to five members (§ 9 of *Articles of Association*). They are appointed for a three-year term of office. At the time of writing this report there were three members in the Management Board (see: Figure 6). Earlier, in 2013 the Management Board consisted of 5 members with Wojciech Łastowiecki and Tomasz Zatorski, who were dismissed by the Supervisory Board<sup>65,66</sup>.

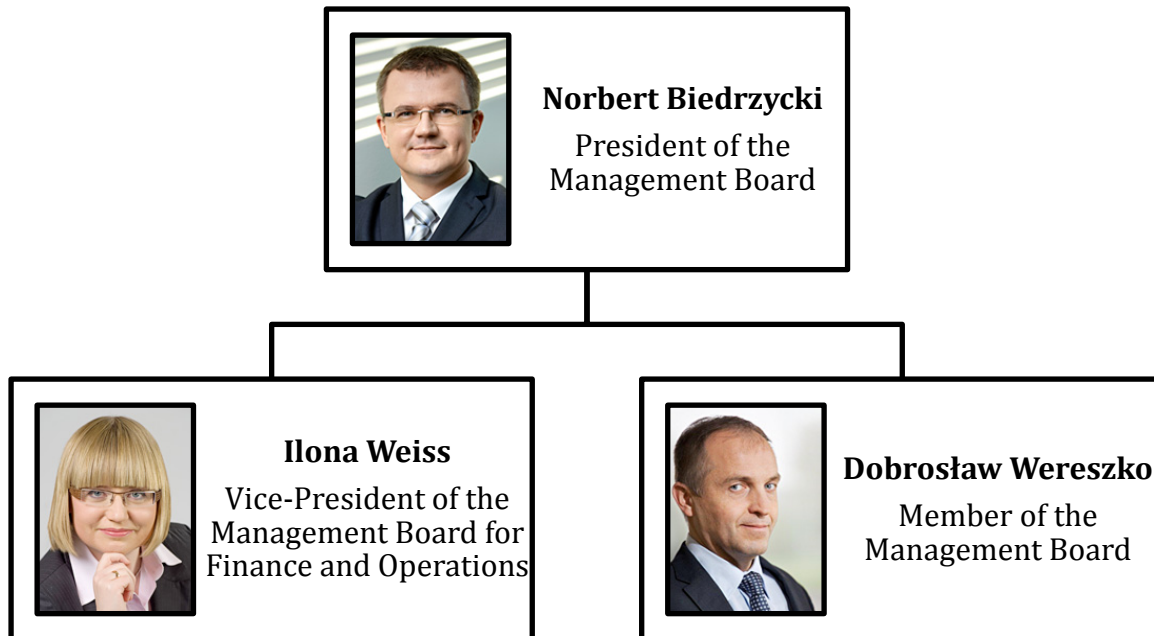


Figure 6 The Management Board of ABC Data

As one can see one member of the Management Board, Ilona Weiss, has a specific domain assigned to her position. She chairs the Board for Finance and Operations. In general, it is the prerogative of the Supervisory Board to allocate duties and responsibilities of the Management Board members. Ilona Weiss is also an Executive Partner at MCI Management SA which controls ca. 61,53% shares and votes in ABC Data SA.

President of ABC Data SA Norbert Biedrzycki is at the same time a Vice President of the Board in MCI Management SA.

Between 2010–2012 both Norbert Biedrzycki and Ilona Weiss were, respectively, a President and a Vice President in Sygnity SA.

More detailed description of the Management Board members can be found on the company's webpage<sup>67</sup>.

<sup>65</sup> Zmiany w zarządzie ABC Daty, <http://www.crn.pl/news/wydarzenia/ludzie/2013/03/zmiany-w-zarzadzcie-abc-daty> (accessed: 2014-02-11)

<sup>66</sup> Oświadczenie dot. publikacji w dniu 16.12.2013 r. artykułu „Dystrybutor IT został bez szefa sprzedaży” w dzienniku Gazeta Giełdy Parkiet, <http://mci.pl/oswiadczenie-dot-publicacji-w-dniu-16-12-2013-r-artykulu-dystrybutor-it-zostal-bez-szefa-sprzedazy-w-dzienniku-gazeta-gieldy-parkiet/> (accessed: 2014-02-11)

<sup>67</sup> ABC Data SA — Company authorities, [http://en.abcddata.eu/company\\_authorities](http://en.abcddata.eu/company_authorities) (accessed: 2014-02-11)



## 4.2 Supervisory Board

The Supervisory Board of ABC Data SA is appointed and dismissed by the General Meeting. It should be composed of five to seven members. There are specific rules of appointing members of this board representing the major shareholder (MCI Management S.A.)<sup>68</sup>.

On February 2014 the Supervisory Board of ABC Data SA consisted of seven members of which two were representing MCI Management (see: Figure 7).

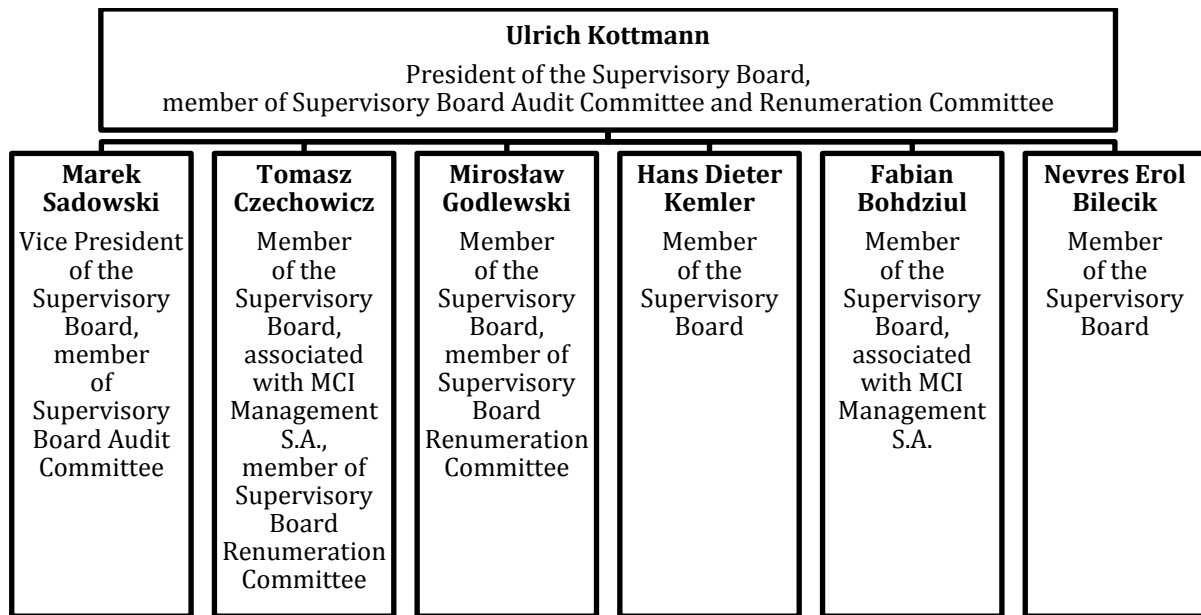


Figure 7 The Supervisory Board of ABC Data SA<sup>69</sup>

Among the members of the Supervisory Board, who are described on the company's webpage, are two of particular concern:

- **Marek Sadowski** who was a President of Management Board in ABC Data SA 2007–2011.
- **Tomasz Czechowicz**: President of MCI Management SA and the “ultimate owner” of ABC Data SA most shares.

## 5 ABC Data SA as an Owner

ABC Data SA is at a heart of the ABC Data Group which owns a 100% shares of its subsidiaries. They are mostly limited companies that operate in seven countries of Central and Eastern Europe distributing IT equipment on these markets (see: Figure 8, Figure 9).

ABC Data Marketing Sp. z o.o. has a different role. It was established in December 2011 and its mission is to provide marketing services for ABC Data SA business partners, IT

<sup>68</sup> ABC Data SA — Articles of Association, [http://en.abcddata.eu/files/raporty\\_lad/articles\\_of\\_association\\_uniform\\_text\\_20120629.pdf](http://en.abcddata.eu/files/raporty_lad/articles_of_association_uniform_text_20120629.pdf), pp. 6–7 (accessed: 2014-02-11)

<sup>69</sup> ABC Data SA — Company authorities, [http://en.abcddata.eu/company\\_authorities](http://en.abcddata.eu/company_authorities) (accessed: 2014-02-11)

vendors and to serve companies outside the industry. The company operates on the markets of Central and Eastern Europe.

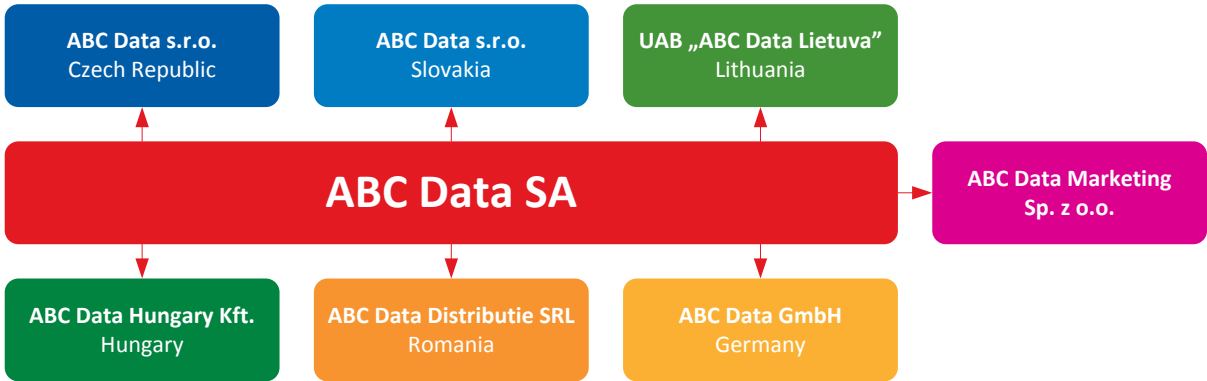


Figure 8 ABC Data Capital Group<sup>70</sup>

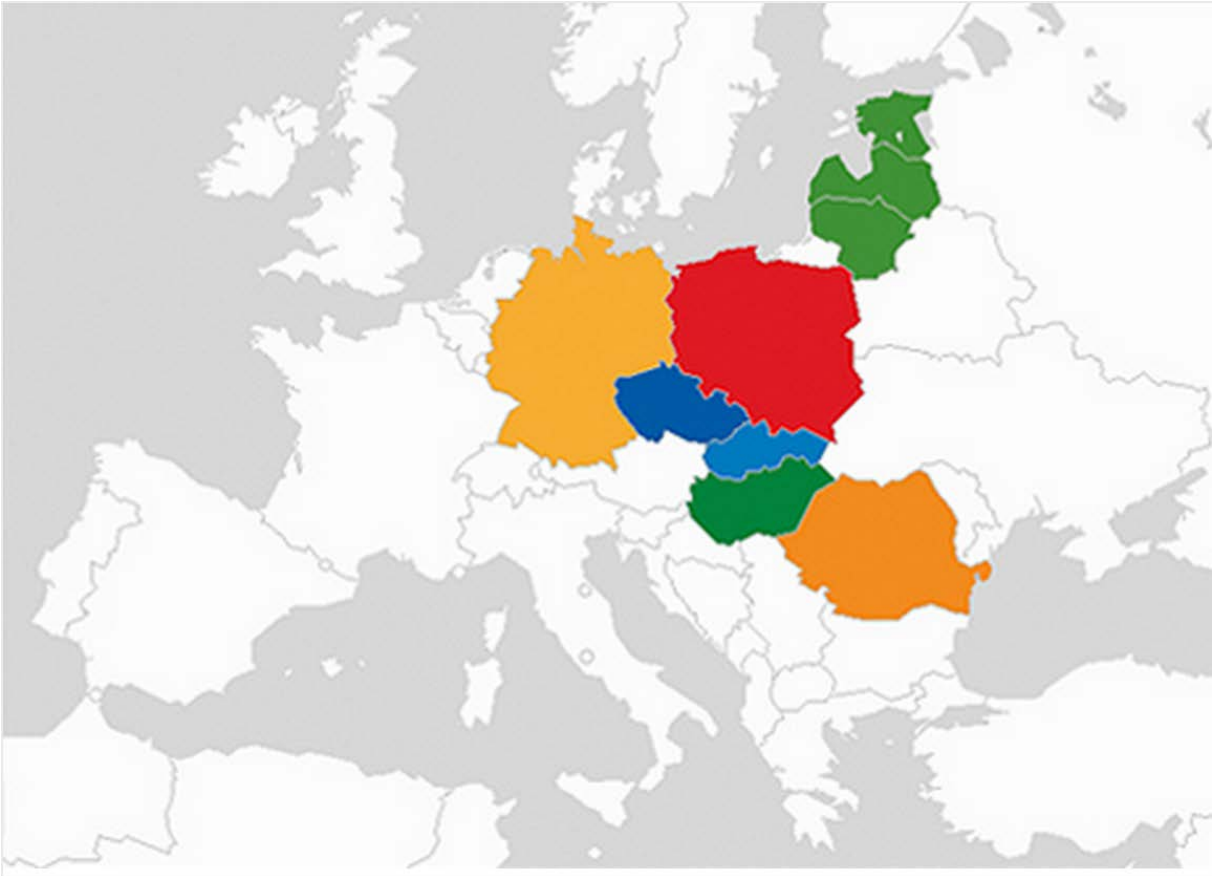


Figure 9 Geographical distribution of ABC Data Capital Group<sup>71</sup>

<sup>70</sup> ABC Data SA — Capital Group, [http://en.abcddata.eu/capital\\_group](http://en.abcddata.eu/capital_group) (accessed: 2014-02-13)

<sup>71</sup> ABC Data Group, [http://en.abcddata.eu/abc\\_data\\_group](http://en.abcddata.eu/abc_data_group) (accessed: 2014-02-14)

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