

**A statement on compliance with the corporate governance principles
contained in the Consolidated Financial Statements
for the year ended 31 December 2015, on page 30**

The Group aspires to apply high standards of corporate governance in all material areas of its business. The Board and, where delegated, the Property Manager use a comprehensive system of controls, checks and reporting requirements that they consider provide the capability to maintain these standards. The systems mentioned are being designed to meet the requirements of the Company and its business and to assess and manage the opportunities and risks that may arise. In accordance with the WSE Rules, the Board resolved in January 2008, to the extent practicable and reasonable, to also comply with the majority of the corporate governance rules defined in the Code of Best Practices for WSE Listed Companies. The Company's compliance with certain principles is limited by the differences between Guernsey and Polish legal systems, procedures and accepted practices. The exceptions from applying the Code of Best Practise are as follows:

- Rules specified in part I point 1 and in part I point 1.9 as well as part IV point 10;

The Company pursues a transparent information policy using traditional and modern technologies to communicate with the capital market community. However the Company does not present the information in the exact manner recommended by the WSE. Notwithstanding the above, in the Company's opinion, the Company's website contains all the required and necessary information.

The Company does not provide on-line transmissions of general meetings over the Internet and does not record the general meetings. The reason for this is the fact that all the shareholders entitled to participate in the general meetings can appoint proxies to act on their behalf and vote at the general meetings according to their instructions. Therefore, in the opinion of the Company, there is no need to record and broadcast the general meetings. If the Company's shareholders decide to attend the general meetings in person in the future, the Company will consider to ensure that such meetings are recorded and broadcast on its website.

- Rules specified in part III;

The Company's compliance with these principles is limited by the differences between Guernsey and Polish legal systems according to which there is no Supervisory Board function in Guernsey legal system. The Company is managed by the Board of Directors and the external management function provided by the Property Manager.