

## **Corporate governance and the 'Code of Best Practice for WSE Listed Companies'**

In accordance with the WSE Rules, companies listed on the main market of the WSE should apply the corporate governance principles stipulated in the 'Code of Best Practice for WSE Listed Companies'. The 'Code of Best Practice for WSE Listed Companies' is a set of recommendations and principles of conduct applicable, in particular, to governing bodies and shareholders of listed companies. The WSE Rules and resolutions of the WSE Management Board and Supervisory Board prescribe the method of disclosure by listed companies of information on their compliance with corporate governance principles as well as the scope of information to be provided. If a specific principle is not applied by a listed company or there have been instances of infringement, the listed company is required to publish relevant information in a current report. A listed company is also required to include a compliance statement, containing information on the scope of application of the 'Code of Best Practice for WSE Listed Companies' in a given financial year, in its annual report.

The Company aims to ensure maximum transparency of its activities, appropriate quality of its investor communications, and protection of its shareholders' rights, including in areas not regulated by legislation. Accordingly, the Company has taken steps to comply with the corporate governance principles set out in the 'Code of Best Practice for WSE Listed Companies' to the fullest extent possible.

The set of corporate governance principles applicable to Capital Park S.A. is provided in the 'Code of Best Practice for WSE Listed Companies' attached as an appendix to WSE Supervisory Board Resolution No. 12/1170/2007 of July 4th 2007 concerning the adoption of the 'Code of Best Practice for WSE Listed Companies', as laid down by WSE Supervisory Board Resolution No. 17/1249/2010 of May 19th 2010, amended by WSE Supervisory Board Resolution No. 20/1287/2011 of November 19th 2011 and WSE Supervisory Board Resolution No. 19/1307/2012 of November 21st 2012.

The consolidated text of the 'Code of Best Practice for WSE Listed Companies' as applicable to the Company in 2013 is attached as an appendix to WSE Supervisory Board Resolution No. 19/1307/2012 of November 21st 2012. The document is available on the website of the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) at <http://www.corp-gov.gpw.pl>.

### **CAPITAL PARK S.A.**

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Tel.: +48 (22) 318 88 88, fax: +48 (22) 318 88 89

District Court for the Capital City of Warsaw, 12th Commercial Division – KRS No. 373001

NIP (Tax Identification No.): 108-00-09-913

Share capital: PLN 74,558,541.00

Since the admission of the Company shares to trading on the main market of the WSE, the Management Board has complied with all corporate governance principles stipulated in the 'Code of Best Practice for WSE Listed Companies', except the following:

- i). **Recommendation I.5** – where it refers to having in place a remuneration policy and rules of defining the policy

The Company does not have in place a remuneration policy for the Supervisory Board and Management Board members or rules of defining the policy. The Company is considering the possibility of establishing such policy and rules in the future.

- ii). **Recommendation I.9** – where it refers to ensuring a balanced proportion of women and men in management and supervisory functions in companies

As at the date of this statement of compliance, the Company does not ensure a balanced proportion of women and men in its Management Board and Supervisory Board. There are no women among the four members of the Management Board. There are two women among the six members of the Supervisory Board, however, the Company cannot give any assurance that this proportion will be maintained in the future. Although the Company endorses the recommendation, it should be noted that the Supervisory Board's composition is determined by the shareholders at the General Meeting. The Company operates a policy of employing competent and creative individuals with appropriate professional experience and education.

- iii). **Recommendation I.12** – where it refers to enabling the shareholders to exercise their right to vote during a General Meeting, either in person or through a proxy, from a location other than the venue of the General Meeting, using electronic communication means

Currently the Company's Articles of Association do not contain provisions that would enable the Company shareholders to participate in a General Meeting using electronic communication means. Considering the provisions of Art. 406<sup>5</sup> of the Polish Commercial Companies Code, stating that companies may enable shareholders to participate in a General Meeting with the use of electronic communication means only when their Articles of Association provide for such an option, the Company cannot enable its shareholders to participate in a General Meeting using real-time electronic communication. Another reason why the Company does not comply with the above recommendation is the excessively high cost of procurement of the appropriate equipment and technical capabilities that would allow the Company to fulfil the tasks imposed by the recommendation, which is incommensurate with the potential benefits to the shareholders.

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- iv). **Recommendation II.1.9a** – where it refers to publishing records of the proceedings of the General Meeting, in audio or video format, on the Company's website

The Company does not plan to publish records of the General Meeting's proceedings on its website because of the significant cost that would be required to provide the equipment to record the proceedings as well as the substantial cost of securing, storing and publishing such recordings on the Company's website. The Company believes that it does not have to record the proceedings of the General Meeting in audio or video format to ensure transparency and equal access to information. Lack of such recordings will not limit access to information for the Company shareholders. All material information will be published by the Company as required by the applicable laws and regulations, ensuring that shareholders (or prospective shareholders) have access to information on the proceedings of the Company's General Meetings whether or not they participate in the Meetings.

- v). **Recommendation IV.10** – where it refers to enabling shareholders to participate in a General Meeting using means of electronic communication through:

- 1) real-time broadcast of General Meetings,
- 2) real-time bilateral communication where shareholders may take the floor during a General Meeting from a location other than the General Meeting.

The Company does not comply with the above recommendation because of the excessively high cost of procurement of the appropriate equipment and technical capabilities that would allow the Company to fulfil the tasks imposed by the recommendation, which is incommensurate with the potential benefits to the shareholders.

The Articles of Association provide that candidates to the Supervisory Board and members of the Supervisory Board are obliged to submit, promptly after being appointed, a written statement to the Company to the effect that they meet the independence criteria under Annex II to the Commission Recommendation of February 15th 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, and advise the Company promptly if their status changes during the Supervisory Board's term of office.

Where the implementation of a corporate governance principle requires amendments to the Company's corporate documents (Articles of Association, Rules of Procedure for the Management Board, Rules of Procedure for the Supervisory Board, Rules of Procedure for the General Meeting), the Management Board will take steps necessary to ensure that such amendments are made. The Management Board also intends to recommend to the Supervisory Board and the General Meeting compliance with all principles of the 'Code of Best Practice for WSE Listed Companies', except as specified above.

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Importantly, the decision whether or not to comply with certain principles stipulated in the 'Code of Best Practice for WSE Listed Companies' will be made by the Company shareholders and the Company's Supervisory Board.

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