

**THE MANAGEMENT BOARD'S JUSTIFICATION FOR DRAFT RESOLUTIONS  
OF THE EXTRAORDINARY GENERAL MEETING  
OF CELTIC PROPERTY DEVELOPMENTS S.A.**

**TO BE HELD ON 10 JANUARY 2013**

The Management Board of Celtic Property Developments S.A. with the corporate seat in Warsaw (hereinafter "the Company"), registered in the Register of Entrepreneurs kept by the District Court for the capital city of Warsaw, XIII Economic Division of the National Court Register under number KRS 0000277147, with regard to the Extraordinary General Meeting convened on 10 January 2013, presents its opinion on draft resolutions for this EGM:

**Resolutions No. 1 and 2 – on appointment of the Chairman of the Meeting and adoption of the Meeting agenda**

Resolutions No. 1 and 2 are required by formal procedure of the Meeting that must be adopted for the procedure to be correct: (i) adoption of resolution no. 1 is required under article 409.1 of the Commercial Companies Code and (ii) adoption of resolution no. 2 is required under article 402<sup>2</sup>.1) of the Commercial Companies Code.

**Resolution No. 3 – on the issue** of subscription warrants series B with the right to take up the Company's shares Series E and deprivation of the existing shareholders of the pre-emption right with respect to subscription warrants series A

The Company intends to issue up to 88 776 (in words: eighty-eight thousand seven hundred seventy-six) registered subscription warrants series B entitling the holders thereof to take up in total up to 88 776 (in words: eighty-eight thousand seven hundred seventy-six) of the Company's ordinary bearer shares Series E with the nominal value of 0.10 zlotys (in words: ten groszy) each and total nominal value of up to 8,877.60 (in words: eight thousand eight hundred and seventy-seven and 60/100) zlotys (hereinafter: "the Subscription Warrants").

Subscription warrants shall be offered exclusively to the Members of the Company's Management Board:

- a) President of the Management Board Andrew Morrison Shepherd shall be entitled to take up 36 483 subscription warrants series B;
- b) Member of the Management Board Aled Rhys Jones shall be entitled to take up 36 483 subscription warrants series B;
- c) Member of the Management Board Elżbieta Wiczowska shall be entitled to take up 15 810 subscription warrants series B

- providing that at the date of submission of the declaration on taking up of the shares they still hold their positions in the Management Board of the Company.

The issue of Subscription Warrants series B with right to take-up E series shares aims to the continuation of the creation of incentive mechanisms for members of the Management Board of the Company to achieve the best results by the Company. The legal structure that has been adopted for these purposes is the issue of subscription warrants with the right to subscribe for Company's shares.

**Resolution No 4** - on: the conditional increase of the Company's share capital with the exclusion of the preemption right with respect to shares Series E, amendment to the Statutes of the Company, deprivation of the existing shareholders of the pre-emption right with respect to the shares Series E, dematerialization of the shares Series E and application to admit and introduce the shares Series E to the regulated market.

Resolution No 4 is closely connected with the resolution on the issue of B series subscription warrants. In accordance with article 448.4 of the Code of Commercial Companies the increase of the share capital made in order to grant rights to subscribe for shares by owners of subscription warrants may be made only through the conditional capital increase procedure. Conditional increase of share capital is thus justified to allow the take-up of shares by the B series subscription warrants holders.

**Resolution No 5 – on the adoption of the consolidated text of the Company's Statutes**

Resolution No 5 is taken in connection with adoption of the Resolution No 4 by the Extraordinary General Meeting of the Company held on January 10, 2013 and with the resolution of the Company's Management Board from October 15, 2012, which changed the content of the Company's Statutes.

**THE SUPERVISORY BOARD'S JUSTIFICATION OF DRAFT RESOLUTIONS  
OF THE EXTRAORDINARY GENERAL MEETING  
OF CELTIC PROPERTY DEVELOPMENTS S.A.**

The Supervisory Board gives a positive opinion on the drafts of the resolutions of the Extraordinary General Meeting of the Company, through taking the resolution adopting the draft resolutions of the General Meeting.