

Warsaw, May 16, 2013

The Management Board's justification of draft resolutions of the Ordinary General Meeting of Celtic Property Developments S.A.

The Management Board of Celtic Property Developments SA with its seat in Warsaw address: Cybernetyki 7b, 02-677 Warsaw, entered into the National Court Register kept by the District Court for the Warsaw, XIII Commercial Division of the National Court Register under number KRS 0000277147 (hereinafter "the Company"),

with reference to the Ordinary General Meeting of the Company summoned on 12 June, 2013 by Management Board, with agenda with follows:

- 1) Opening the General Meeting.
- 2) Appointing the Chairman of the General Meeting.
- 3) Confirming that the Ordinary General Meeting has been convened correctly and is empowered to adopt resolutions.
- 4) Adopting the agenda of the General Meeting.
- 5) Presentation of the Activity Report of the Management Board of Celtic Property Developments S.A. and the financial statements of Celtic Property Developments S.A. for the financial year 2012;
- 6) Presentation of the Evaluation Report of the Supervisory Board from the activity report of the Management Board of Celtic Property Developments S.A., and the Management Board proposal regarding distribution of profit, with an evaluation of the Company including an evaluation of internal control and risk management system relevant to the Company.
- 7) Adopting the resolution for the approval of the activity report of Management Board of the Celtic Property Developments S.A for the financial year 2012;
- 8) Adopting the resolution for the approval of the financial statements of the Celtic Property Developments S.A. for the financial year 2012;
- 9) Adopting the resolution of cover the loss by the Celtic Property Developments S.A. for the year 2012.
- 10) Adopting the resolution on the further existence of the Celtic Property Developments S.A.
- 11) Presentation of the Activity Report of the Management Board of the Celtic Property Developments S.A. Capital Group and the consolidated financial statements of the Celtic Property Developments S.A. Capital Group for the financial year 2012.
- 12) Adopting the resolution for the approval of the activity report of Management Board of the Celtic Property Developments S.A. Capital Group for the financial year 2012.
- 13) Adopting the resolution for the approval of the financial statements of Management Board of the Celtic Property Developments S.A. Capital Group for the financial year 2012.
- 14) Adopting of resolutions regarding appointment of members of Management Board of Celtic Property Developments S.A. for the performance of their duties in 2012.
- 15) Adopting of resolutions regarding appointment of members of Supervisory Board of Celtic Property Developments S.A. for the performance of their duties in 2012.
- 16) Adopting the resolution on the redemption of shares of Celtic Property Developments SA
- 17) Adopting the resolution on the reduction of the share capital of Celtic Property Developments SA
- 18) Adopting the resolution on the amendment of the Articles of Association
- 19) Closing the General Meeting.

give its opinion on the above mentioned resolutions:

Resolution No. 1 and 2

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 402² sec.1) of the Commercial Companies Code.

Resolution No. 3-4 and 7-8

Resolution No. 3, 4, 7 and 8 in accordance with Article. 395 § 2 sec 1 of the Code of Commercial Companies and § 6 sec. 2, point 2 of the Company Statute relate to the mandatory issues and be approved by the Ordinary General Meeting of Celtic Property Developments SA after the end of financial year i.e.: the Activity Report of the Management Board of the Company and its Group and the financial statements of the Company and its Group.

Resolution No. 5

Resolution No. 5 in accordance with Article. 395 § 2, sec 2 of the Code of Commercial Companies and § 6 sec. 2, point 2 of the Company Statute relate to the mandatory issues and be approved by the Ordinary General Meeting of Celtic Property Developments SA after the end of financial year ie: the allocation of profits.

The Management Board recommend cover the loss for the year 2012 amounts to PLN 175 633 PLN (in words: one hundred and seventy five million, six hundred and thirty three thousand zlotys), shall be distributed as follows:

1. compensation PLN 4 399 (in words: four million three hundred and ninety nine thousand zlotys) from the reserve capital;
2. cover the remaining part of loss in 2012 PLN 171 234 (one hundred seventy one million two hundred and thirty four thousand zlotys) from the Company's future profits.

Management indicated that the above loss is related to such with the decline in real estate prices on the Polish market in recent years, which forced the group to change strategy for the implementation of projects and their disposal. In view of the prevailing market conditions and in order to prevent a further accumulation at the time the return on investment of the Company's projects, at the end of 2011, the Management Board decided on the sale of investment projects which are in various stages of development and distribution of Ursus project into smaller sub-projects. In 2012, this strategy was consistently implemented - the land was sold at. Łopuszańska 22, as well as dissolved foreign companies of the Group, concentrating on the Polish market. Therefore, the Management Board proposes that all funds previously accumulated in reserve capital in total were transferred to cover the loss.

Resolution No. 6

Resolution No. 6 in accordance with Article. 397 of the Code of Commercial Companies relate to issues when General Meeting is is required to adopt a resolution on the further existence of the Company, when the loss excess of the spare and reserve capital and one third of the share capital. The Management Board indicated that the losses had affected mainly the change of strategic.

Resolution No. 9-17

Resolution No. 9-17 in accordance with Article. 395 § 2 sec 3 of the Code of Commercial Companies and § 6 sec 2, point 2 of the Company Statute relate to issues considered mandatory and approved by the Ordinary General Meeting of Celtic Property Developments S.A. after the end

of financial year i.e.: acknowledgement of the fulfillment of duties by member of the Management Board and Supervisory Board of Celtic Property Developments S.A. in 2012.

Resolution No. 18-19

Resolution No. 18 is taken in connection with the acquired by the Company as a result announced by the Company on March 27, 2013, the call for tender sale of the shares of the Company held on the basis of the authorization granted in Resolution No. 3 of the Extraordinary General Meeting of 10 August 2012. According to Resolution of 10 August 2012, the Company was authorization to the acquisition of shares for the purpose of their redemption according to article 362 § 1 sec 5) of Code of Commercial Companies. Redemption of a shares shall require resolution of the General Meeting according to article 359 § 2 first sentence of the Code of Commercial Companies, of the General Meeting. For this reason, In the purpose of redemption of Shares, immediately after the finalization of their purchase procedure the Management Board was authorized in § 2. 2 in the resolution dated August 10, 2012, to the convene the General Meeting with an agenda including at least the adoption of resolutions on the redemption of the Company's shares, on the decrease of the Company's share capital and amendments to the Company's statute.

Adoption of Resolution No. 19 is closely related to the adoption of resolution No. 19 According to article 360 § 1 of the Commercial Companies Code, the redemption of shares requires a reduction in the share capital, and this resolution shall be adopted by the General Meeting which adopted the resolution on the redemption of shares.

Resolution No. 20

Resolution No. 20 is taken in connection with the adoption of resolutions No. 18-19 by the Ordinary General Meeting of the Company of 12 June 2013 years concerning the reduction of the share capital, which is the resolution required in accordance with Art. 455 § 1 of the Code of Commercial Companies, change the contents of the Articles of Association of the Company.

The Supervisory Board of Celtic Property Developments S.A. justification of draft resolutions of the Ordinary General Meeting of Celtic Property Developments S.A.

The Supervisory Board of Celtic Property Developments S.A. gives positive opinion on draft resolutions of the Ordinary General Meeting of the Company, adopted resolutions aproving the draft resolutions of the General Meeting.