

CORPORATE GOVERNANCE REPORT

Warimpex is committed to compliance with the Austrian Code of Corporate Governance as well as the Polish best practices for listed companies. The Management Board declares that it complies with both sets of guidelines to the best of its ability. The Company fulfils all the legal requirements as well as observing virtually all the comply-or-explain rules set forth in the Austrian Code. Deviations from individual corporate governance rules relate to the Company's structure and/or to Polish rules that are not complied with due to the Company's primary orientation towards the relevant Austrian regulations.

Detailed explanations are available on the Company's web site at www.warimpex.com.

Austrian Code of Corporate Governance, as amended in January 2010

The Austrian Code of Corporate Governance (as amended in January 2010 and which was applied for financial year 2011, www.corporate-governance.at) contains rules that must be followed (L-rules), rules that are not mandatory for the Company but for which justification must be provided in the event of non-compliance (C-rules), and rules that are entirely optional for the Company and for which no justification must be provided in cases of non-compliance (R-rules). Overall, the Company's statutes and the internal terms of reference for the Management Board and the Supervisory Board comply with the L-rules in full, and with all of the C-rules except as explained below:

- The Company has neither outsourced its internal auditing functions nor set up a separate staff unit for internal auditing purposes, which would be required by Rule 18. The Company has no intention to make such changes at this time. The Management Board has judged that such measures would be disproportionately cost intensive, and the implementation of Rule 18 is not planned for the foreseeable future for cost reasons.
- The principles governing the remuneration paid to the members of the Management Board and Supervisory Board are published, as is the total remuneration paid to all members of the Management Board and Supervisory Board. The Company has opted not to disclose the individual amounts paid to each Management Board and Supervisory Board member pursuant to Rule 31 and Rule 51 in order to respect the privacy of the members of these Boards, and because this information is of relatively little value to investors. For information relating to Rules 27 and 30, please consult Note 6.03 in the Notes to the consolidated financial statements.
- An assessment by the balance sheet auditor of the effectiveness of the Company's risk management system in accordance with Rule 83 did not take place because the operational risk management system is installed at the level of the Group's subsidiaries, and because equity-investment-specific risk management is an integral part of equity investment management in the Company's function as a holding company.

All members of the Supervisory Board are independent as defined by C-Rule 53 of the Austrian Code of Corporate Governance. The guidelines for independence are the same guidelines as published in Annex 1 to the Code. A directors and officers liability insurance policy has been taken out.

The Management Board

The terms of reference for the Management Board govern the composition and procedures of the Board, collaboration between the Management Board and Supervisory Board, how conflicts of interest are to be handled, the reporting and disclosure obligations of the Board, and what decisions require the approval of the Supervisory Board (including the most important business transactions of the Company's material subsidiaries). The Management Board generally meets at least every two weeks to exchange information and decide on motions.

Working Principles of the Supervisory Board

The Supervisory Board discusses the position and objectives of the Company and adopts motions to fulfil its duties, in particular the supervision and strategic assistance of the Management Board. In addition to the composition, procedures, working principles and responsibilities of the Supervisory Board, the terms of reference for this Board also govern how conflicts of interest are to be handled and specify the Supervisory Board committees (Audit Committee, Personnel Committee and Project Committee) and their responsibilities and powers. The Supervisory Board held eight meetings during the reporting period. Meetings were also held between the Supervisory Board and Management Board to discuss issues of Company management. All members of the Supervisory Board were physically present at more than half of the meetings of this Board during the reporting period.

Committees

The Supervisory Board appoints an Audit Committee, a Project Committee and a Personnel Committee from among its members.

A separate strategy committee has not been formed because all such issues are handled by the Supervisory Board as a whole. The committees are appointed for the duration of the tenure of their members. Each committee elects a chairman and a deputy chairman from among its members. For more information, see the section "Bodies of the Company".

Men and women completing the same tasks and having the same education receive equal salaries at Warimpex, and the ratio of women to men at the Warimpex head office is 1:1. There are no concrete measures at this time to promote women in managerial positions.

Poland – Code of Best Practice for WSE Listed Companies

In accordance with the statutes of the Warsaw stock exchange and in connection with the application for admission of the Company's shares for trading at this exchange, the Company is obligated to disclose which Polish corporate governance rules from the Code of Best Practice for WSE Listed Companies it intends to follow, and which it will not follow (with an explanation of the reasons for non-compliance).

The Company has decided to follow these Polish corporate governance rules with the following exceptions, which are due to the structure of the Company and to the provisions of Austrian law, to which the Company is subject. In particular, the Company has decided not to comply with the following rules from the Code of Best Practice for WSE Listed Companies (as amended in October 2011) for the indicated reasons:

- Rule I.1 and I.12: The Company communicates with its shareholders, investors and analysts through traditional means of communication and through modern means of communication such as the Internet. Ad hoc releases, minutes of the annual general meetings and other publications can be found in the Investor Relations area of the Company's web site (www.warimpex.com). Webcasts of the Company's annual general meeting are currently not offered, but will be offered in future when required by law.
- Rule I.4: Company capital measures that entail the acquisition of shareholder's rights are executed at the same time or during the same periods in Austria and Poland; excepted from this are annual general meetings, which are always held at a venue in Austria.
- Rule I.9: The WSE recommends that listed companies and their shareholders strive to attain a balanced ratio of women to men in managerial and supervisory board functions. The ratio of women to men at the Warimpex head office is 1:1. There are no concrete measures at this time to promote women in managerial positions or on the Supervisory Board.
- Rule II.1 1): The statutes of the Company can be viewed on its web site. Internal documents such as terms of reference for its governing bodies are not published.
- 2): Curricula vitae are only published on the web site for candidates for the Supervisory Board.
- 7): In accordance with Austrian law, questions from shareholders about agenda items are documented in the minutes of the annual general meetings, but not published by the Company on its own web site.
- Rule III.1: An assessment of the work of the Supervisory Board and reports by the Supervisory Board on the internal control system and the risk management system are included in the annual report and published on the Company's web site. Shareholders can pose questions in this connection at the annual general meeting as permitted by law.