AGROTON PLC

Board of Directors of the Agroton Plc (the "Company") acting in accordance with §29.3 of the Warsaw Stock Exchange Rules provides the report of the compliance with the WSE Corporate Governance Code:

Note: Companies formed under Cyprus laws do not have supervisory board and management board. Cyprus companies have a board of directors, members of which are appointed to fill certain executive and non-executive positions (the "Board of Directors"). The management of the business and the conduct of the affairs of Company are vested in the Board of Directors. Due to a fact that Cyprus companies do not have supervisory board and management board these terms used in this Best Practices refer to the Board of Directors of the Company.

	RULE	CONFIRM THAT YOU COMPLY OR EXPLAIN
	I. Recommendations for Best Practice for Listed Companies	
1	A company should pursue a transparent and effective information policy using both traditional methods and modern technologies and latest communication tools ensuring fast, secure and effective access to information. Using such methods to the broadest extent possible, a company should in particular: - maintain a company website whose scope and method of presentation should be based on the model investor relations service available at http://naszmodel.gpw.pl/; - ensure adequate communication with investors and analysts, and use to this purpose also modern methods of Internet communication;	Complies. However the Company has not yet implemented the technology enabling on-line broadcast of General Meeting or publishing its records on the website. The Company's website is similar but not identical to WSE model.

	- enable on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on the company website	
2	A company should make every effort to ensure that any cancellation of a General Meeting or change of its date should not prevent or restrict the exercise of the shareholders' right to participate in a General Meeting	Complies
3	Where securities issued by a company are traded in different countries (or in different markets) and in different legal systems, the company should strive to ensure that corporate events related to the acquisition of rights by shareholders take place on the same dates in all the countries where such securities are traded	N/A. Global depositary receipts (GDRs) of the Company are listed on the Frankfurt Stock Exchange, but GDRs are not issued by the Company, but by the Bank of New York Mellon.
4	A company should have a remuneration policy and rules of defining the policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company	Complies. Remuneration committee consisting of non-executive members of the Board of Directors reviews and approves remuneration of members of the company governing bodies.

5	A member of the Supervisory Board should have appropriate expertise and experience and be able to devote the time necessary to perform his or her duties. A member of the Supervisory Board should take relevant action to ensure that the Supervisory Board is informed about issues significant to the company.	Complies. With the reservation that, there is only one governing body in the Company, the Board of Directors, which fulfills the duties both of a Polish-style supervisory board and management board. All Board of Directors' members have excellent qualifications to perform their duties. The Company makes every effort to ensure that the Board of Directors' members, including non-executive directors, meet all the criteria specified herein. As all directors are appointed by the general meetings, the Company makes sure that all candidates recommended by the Board of Directors, in particular for non-executive directors, have the relevant education, the appropriate professional and practical experience, are of high moral standing and are able to devote the time required to perform their non-executive functions properly.
6	Each member of the Supervisory Board should act in the interests of the company and form independent decisions and judgments, and in particular: - refuse to accept unreasonable benefits which could have a negative impact on the independence of his or her opinions and judgments; - raise explicit objections and separate opinions in any case when he or she deems that the decision of the Supervisory Board is contrary to the interest the company	Complies. With the reservation that, there is only one governing body in the Company, the Board of Directors. In particular these requirements are explicitly stated in Regulation 92 of the Company's Articles of Association.
7	No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related entities.	Complies
8	The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' economic	Complies. Board of Directors is composed from 5 members, 2 women and 3 men.

	business	
9	If a company supports different forms or artistic and cultural expression, sport activities, educational or scientific activities, and considers its activity in this area to be a part of its business mission and development strategy, impacting the innovativeness and competitiveness of the enterprise, it is good practice to publish, in a mode adopted by the company, the rules of its activity in this area.	Complies. The Company on a regular basis supports different regional sports and educational activities and events.
10	As part of a listed company's due care for the adequate quality of reporting practice, the company should take a position, expressed in a communication published on its website, unless the company considers other measures to be more adequate, wherever with regard to the company: - published information is untrue or partly untrue from the beginning or at a later time; - publicly expressed opinions are not based on material objective grounds from the beginning or as a result of later circumstances. This rule concerns opinions and information expressed publicly by company representatives in the broad sense or by other persons whose statements may have an opinion-making effect, whether such information or opinions contain suggestions advantageous or disadvantageous to the company	Complies
11	A company should enable its shareholders to participate in a General Meeting using	Does not apply. The Company does not have proper equipment to enable its shareholders to participate in a General Meeting using electronic communication means. Company is considering complying with this rule in the future. A shareholder may participate in the General Meeting

	electronic communication means through: 1) real-life 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; 3) exercise their right to vote during a General Meeting either in person or through a plenipotentiary	personally or by a proxy. A proxy may be authorized to cast votes.
II. BEST PRACTICE FOR MANAGEMENT BOARD		
12	A company should operate a corporate website and publish on it, in addition to information required by legal regulations: 1) basic corporate regulations, in particular the statutes and internal regulations of its governing bodies; 2) professional CVs of the members of its governing bodies; 2a) on an annual basis, in the fourth quarter – information about the participation of women and men respectively in the Management Board and in the Supervisory Board of the company in the last two years; 3) current and periodic reports; 4) [deleted] 5) where members of the company's governing body are elected by the General Meeting – the	Complies

	basis for proposed candidates for the company's Management Board and Supervisory Board available to the company, together with the professional CVs of the candidates within a timeframe enabling a review of the documents and an informed decision on a resolution; 6) annual reports on the activity of the Supervisory Board taking account of the work of its committees together with the evaluation of the internal control system and the significant risk management system submitted by the Supervisory Board; 7) shareholders' questions on issues on the agenda submitted before and during a General Meeting together with answers to those questions; 8) information about the reasons for cancellation of a General Meeting, change of its date or agenda together with grounds; 9) information about breaks in a General Meetings and the grounds of those breaks; 10) information on corporate events such as payment of the dividend, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles of such operations. Such information should be published within a timeframe enabling investors to make investment decisions; 11) information known to the Management Board based on a statement by a member of	

	the Supervisory Board on any relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting; 12) where the company has introduced an employee incentive scheme based on shares or similar instruments – information about the projected cost to be incurred by the company from to its introduction; 13) a statement on compliance with the corporate governance rules contained in the last published annual report, as well as the report referred to in § 29.5 of the Exchange Rules, if published; 14) information about the content of the company's internal rule of changing the company authorised to audit financial statements or information about the absence of such rule.	
13	A company should ensure that its website is also available in English	Complies
14	Before a company executes a significant agreement with a related entity, its Management Board shall request the approval of the transaction/agreement by the Supervisory Board. This condition does not apply to typical transactions made on market terms within the operating business by the company with a subsidiary where the company holds a majority stake.	N/A. This rule is non-applicable as the company has only one Board of Directors.
15	A member of the Management Board should	Complies. In particular the Company's Articles of Association explicitly state the following:

	provide notification of any conflicts of interest which have arisen or may arise, to the Management Board and should refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such a conflict of interest	(i) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors; and (ii) No member of the Board of Directors may vote in respect of any contract or proposed contract or arrangement in which he may be interested and if he does so his vote shall not be counted and he may not be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration;
16	A General Meeting should be attended by members of the Management Board who can answer questions submitted at the General Meeting.	Complies. The Company makes every effort to ensure that the Board of Directors' members are present during general meetings.
17	A company shall set the place and date of a General Meeting so as to enable the participation of the highest possible number of shareholders	Complies
18	If a company's Management Board is informed that a General Meeting has been summoned pursuant to Article 399 § 2–4 of the Code of Commercial Partnerships and Companies, the company's Management Board shall immediately perform the actions it is required to take in connection with organising and conducting a General Meeting. This rule shall also apply if a General Meeting is summoned on the basis of authorisation given by the registration court pursuant to Article 400 § 3 of the Code of Commercial Partnerships and Companies	Complies. With the reservation that Code of Commercial Partnerships and Companies does not apply to the Cypriot companies and there is only one governing body in the Company, the Board of Directors, which fulfills the duties both of a Polish-style supervisory board and management board. The rule means that if other body or person summoned the General Meeting of the Company the Board of Directors should not block the holding of this Meeting and help in its organising.
		Best Practice for Supervisory Board Member
19	In addition to its responsibilities laid down in legal provisions the Supervisory Board should:	N/A. There is no supervisory board in the Company. The Directors and auditors report together with the accounts are available to shareholders before the holding of the Annual General Meeting.

	1) once a year prepare and present to the Ordinary General Meeting a brief assessment of the company's standing including an evaluation of the internal control system and the significant risk management system; 2) [deleted] 3) review and present opinions on issues subject to resolutions of the General Meeting	
20	A member of the Supervisory Board should submit to the company's Management Board information on any relationship with a shareholder who holds shares representing not less than 5% of all votes at the General Meeting. This obligation concerns financial, family, and other relationships which may affect the position of the member of the Supervisory Board on issues decided by the Supervisory Board	Does not apply. This does not apply to the Company since it has only one tier management board, the Board of Directors. However the Company has implemented this requirement on the level of the Board of Directors. In particular this same requirement, with respect to the directors of the Company, has been incorporated in Regulation 92 of the Company's articles of association.
21	A General Meeting should be attended by members of the Supervisory Board who can answer questions submitted at the General Meeting.	Complies. The Company makes every effort to ensure that the Board of Directors' members are present during general meetings.
22	A member of the Supervisory Board should notify any conflicts of interest which have arisen or may arise to the Supervisory Board and should refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such a conflict of interest	This does not apply to the Company since it has only one tier management board, the Board of Directors. The equivalent requirement for the members of the Board of Directors of the Company is discussed above (see question 15).
23	A member of the Supervisory Board should not resign from this function if this action could have a negative impact on the	Complies. With the reservation that, there is only one governing body in the Company, the Board of Directors, which fulfills the duties both of a Polish-style supervisory board and management board.

	Supervisory Board's capacity to act, including the adoption of resolutions by the Supervisory Board	
24	At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board. Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.	Complies. Two members of the Board of Directors are independent.
25	Annex I to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors… should apply to the tasks and the operation of the committees of the Supervisory Board	Complies. There are two committees in the Board of Directors: audit and remuneration. Both intend to comply with the Annex I to the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors.
26	Execution by the company of an agreement/transaction with a related entity which meets the conditions of section II.3 requires the approval of the Supervisory Board	Does not apply. Pursuant to Cypriot legislation the Company has a one tier management board, the Board of Directors. Pursuant to the Cypriot legislation the governing body which is responsible for the business decisions on behalf of the Company is the Board of Directors.

IV. Best Practices of Shareholder		
27	Presence of representatives of the media should be allowed at General Meeting	Complies. Presence of representatives of the media is allowed.
28	The rules of General Meetings should not restrict the participation of shareholders in General Meetings and the exercising of their rights. Amendments of the rules should take effect at the earliest as of the next General Meeting	Complies
29	A resolution of the General Meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting it or obligate the competent body to set it before the date of subscription rights within a timeframe enabling an investment decision	Complies
30	Resolutions of the General Meeting should allow for a sufficient period of time between decisions causing specific corporate events and the date of setting the rights of shareholders pursuant to such events.	Complies
31	The date of setting the right to dividend and the date of dividend payment should be set so to ensure the shortest possible period between them, in each case not longer than 15 business days. A longer period between these dates requires detailed grounds.	Complies
32	A resolution of the General Meeting concerning a conditional dividend payment may only contain such conditions whose potential fulfilment must take place before the	Complies

	date of setting the right to dividend.	
33	A resolution of the General Meeting to split the nominal value of shares should not set the new nominal value of the shares at a level which could result in a very low unit market value of the shares, which could consequently pose a threat to the correct and reliable valuation of the company listed on the Exchange	Complies
34	A company should enable its shareholders to participate in a General Meeting using electronic communication means through: 1) real-life 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; 3) exercise their right to vote during a General Meeting either in person or through a plenipotentiary	Does not apply. Company is considering complying with this rule in the future. This rule should be complied starting from 1 January 2013.