

Information on the application by Urteste S.A. of the principles of corporate governance defined in

"Good Practices of NewConnect Listed Companies"

STATEMENT OF URTESTE S.A.

CONCERNING COMPLIANCE BY THE COMPANY WITH THE PRINCIPLES CONTAINED IN APPENDIX NO 1 TO RESOLUTION NO 795/2008 OF THE EXCHANGE MANAGEMENT BOARD OF 31 OCTOBER 2008 "GOOD PRACTICES OF NEWCONNECT LISTED COMPANIES", AS AMENDED UNDER RESOLUTION NO. 293/2010 OF THE MANAGEMENT BOARD OF GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A. (WARSAW STOCK EXCHANGE) OF 31 MARCH 2010 ON THE AMENDMENTS TO THE "GOOD PRACTICES OF NEWCONNECT LISTED COMPANIES"

RULES DEFINED IN THE DOCUMENT: "GOOD PRACTICES OF NEWCONNECT LISTED COMPANIES"	INFORMATION ON THE APPLICATION OF A GIVEN RULE
1. The Company should pursue a transparent and effective information policy, using both traditional methods and modern technologies and the latest communication tools to ensure speed, security and broad and interactive access to information. A company, using such methods to the broadest extent possible, should ensure adequate communication with investors and analysts, also using modern Internet communication methods, enable on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on its website.	YES, with the exception of transmission, registration and making the GM proceedings public on the website. The Management Board believes that the costs associated with servicing the transmission and recording of the General Meeting are currently disproportionate to the potential benefits arising therefrom. At the same time, the Issuer ensures that all information relevant to Shareholders and potential Investors concerning the convening and proceedings of the General Meeting will be published by the Company in the form of current reports and also posted on the Company's website.
2. The Company should ensure effective access to information necessary to assess the Company's situation and prospects and the way it operates.	YES
3. The Company maintains a corporate website and posts on it the following:	-
3.1 basic information about the company and its activities (homepage)	YES
3.2. a description of the issuer's activities stating the activities from which the issuer derives most of its revenue,	YES
3.3. a description of the market in which the issuer operates and of the issuer's position in that market,	YES
3.4. professional CVs of the members of the company's bodies,	YES
3.5. information known to the Management Board on the basis of a Supervisory Board member's statement on any relationship of a Supervisory Board member with a shareholder who holds shares representing not less than 5% of all votes at the company's general meeting,	YES
3.6. corporate documents of the company,	YES
3.7. an outline of the company's strategic plans,	YES
3.8. published financial performance forecasts for the current financial year, including the assumptions underlying those forecasts and any revisions to those forecasts (where the Issuer issues such forecasts),	YES Provided that the Issuer does not plan to publish financial performance forecasts at this time due to the following factors: 1) the Issuer's activity in the market of innovative R&D projects,

	<p>2) the influence of many factors on the financial results achieved (revenues depending, among other things, on the way R&D results are commercialised and costs depending, among other things, on the pace of the research teams' activities and the effects of their work),</p> <p>3) the risk of large errors in the forecasts, which could mislead the public.</p> <p>However, should the Issuer decide to publish the forecasts, they will be posted on the Company's corporate website together with the assumptions and any revisions.</p>
3.9. the shareholder structure of the issuer, indicating the main shareholders and free-float shares,	YES
3.10 data and contact details of the person responsible in the company for investor relations and contacts with the media,	YES
3.11. <i>deleted</i>	-
3.12. published current and periodic reports,	YES
3.13. calendar of scheduled dates of publication of financial periodic reports, dates of general meetings as well as meetings with investors and analysts and press conferences,	YES
3.14. information on corporate events, such as the payment of dividends, and other events involving the acquisition or limitation of rights of shareholders, including the timing and rules of such operations. This information should be posted in time for investors to make their investment decisions,	YES
3.15. <i>deleted</i>	-
3.16. shareholders' questions on items on the agenda submitted prior to and during the general meeting, together with replies to those questions,	<p>YES</p> <p>The Issuer may publish answers to selected questions regarding issues on the agenda which, in the opinion of the Company, are material to the proceedings and/or resolutions to be adopted by the General Meeting (subject to restrictions under applicable laws).</p>
3.17. information on the reasons for cancelling the general meeting, changing the date or changing the agenda and the reasons for this,	YES
3.18. information about the adjournment of the general meeting and the reasons for the adjournment,	YES
3.19. information on the entity with which the company has signed a contract for the provision of Authorised Advisor services, with indication of the name, website address, telephone numbers and e-mail address of the Advisor,	YES
3.20. Information on the entity that acts as a market maker for the Issuer's shares,	YES
3.21. the company's information document (prospectus) published in the previous 12 months,	YES
3.22. <i>deleted</i> .	-
Information contained on the website should be provided in a way that allows easy access to that information. The Issuer should keep the information posted on the website up to date. If new relevant information becomes available or if there is a material	YES

change to the information on the website, an update should be provided without delay.	
4. The Company keeps a corporate website, at the Issuer's choice, in Polish or English. Current and periodic reports should be posted on the website in at least the same language as that in which they are published in accordance with the provisions applicable to the Issuer.	YES
5. The company should pursue an information policy with particular attention to the needs of retail investors. For this purpose, the Company should use, in addition to its corporate website, the company-specific Investor Relations section found at www.GPWInfoStrefa.pl .	YES Excluding the Investor Relations section at www.GPWInfoStrefa.pl . The Issuer intends to pursue an information policy taking into account the needs of individual investors. However, the Company does not intend to use the Investor Relations section at www.GPWInfoStrefa.pl . All important information affecting the Issuer's activity and situation is published in the form of current and periodic reports (EBI and ESPI systems) and published on the Issuer's website, which in the opinion of the Issuer's Management Board provides greater opportunities for the individualisation of information published by the Company.
6. The Issuer should maintain ongoing contact with the representatives of the Authorised Advisor to enable them to properly perform their duties to the Issuer. The Company should appoint a contact person for the Authorised Advisor.	YES
7. If an event occurs in the company which, in the Issuer's opinion, is material to the performance of the Authorised Advisor's duties, the Issuer promptly notifies the Authorised Advisor of that fact.	YES
8. The Issuer should ensure that the Authorised Advisor has access to all documents and information necessary to carry out their duties as an Authorised Advisor.	YES
9. In the annual report, the Issuer provides the following:	
9.1. information on the total amount of remuneration of all members of the management board and the supervisory board,	YES
9.2. information about the remuneration of the Authorised Advisor received from the Issuer for providing services to the Issuer in each respect.	NO The remuneration of the Authorised Advisor constitutes a trade secret.
10. Members of the Management Board and the Supervisory Board should attend the general meeting in such a composition as to be able to respond substantively to the questions put to the general meeting.	YES
11. At least twice a year, the Issuer, in cooperation with the Authorised Advisor, should organise a publicly accessible meeting with investors, analysts and the media.	NO The Issuer intends to hold public meetings as and when required, taking into consideration their cost and demand from stakeholders, including the Company's shareholders. The Issuer plans to hold a public meeting with investors, analysts and media.
12. A resolution of the general meeting on the issue of shares with pre-emptive rights should specify the issue	YES

price or the mechanism for determining it, or oblige the competent authority to determine it before the date on which the pre-emptive rights are determined, in time to enable an investment decision to be taken.	
13. Resolutions of the general meeting should ensure that the necessary time gap is kept between decisions giving rise to certain corporate events and the dates on which the rights of shareholders arising from those corporate events are determined.	YES
13a. If the Issuer's management board receives information from a shareholder holding at least half of the share capital or at least half of all the votes in the company that the shareholder has convened an extraordinary general meeting pursuant to Article 399 § 3 of the Code of Commercial Companies, the Issuer's management board shall immediately perform the actions it is required to perform in relation to the organisation and holding of the general meeting. This rule also applies in the event that the registration court authorises shareholders to convene an extraordinary general meeting pursuant to Article 400 § 3 of the Code of Commercial Companies.	YES
14. The record date of the dividend right and the day on which dividends are to be paid should be set so that the time between them is as short as possible and in any event no more than 15 working days. Setting a longer period between these time limits requires detailed justification.	YES Provided that the decision-making body for the adoption of resolutions on the payment of dividends is the General Meeting. The Management Board of the Company will endeavour to ensure that, in the draft resolutions to be submitted to the General Meeting, the dividend-related terms correspond to this principle.
15. A resolution of the general meeting concerning a conditional dividend may only contain such conditions the fulfilment of which, if any, will occur before the date on which the right to dividend is established.	YES
16. The Issuer publishes monthly reports within 14 days of the end of the month. The monthly report should include at least: - information on trends and events in the issuer's market environment which, in the issuer's opinion, may have a significant effect on the Issuer's financial standing and performance in the future, - a summary of all information published by the Issuer in the form of a current report in the period covered by the report, - information on the achievement of the objectives of the issue if achieved, even in part, during the period covered by the report, - an investor's calendar listing events that are to take place in the coming month that are relevant to the issuer and that are of material interest to investors, in particular the dates of publication of interim reports, planned general meetings, the opening of subscriptions, meetings with investors or analysts, and the expected date of publication of an analytical report.	NO The Company's Management Board believes that, given the scale of the Company's operations and its stage of development, monthly reports would not provide added value to the Company's existing and potential Shareholders and would not reflect the Company's current situation. At the same time, the Issuer's Management Board ensures that all significant information that may affect the situation or activity of the Company is published in the form of current and periodic reports and posted on the Company's website.
16a. In the case of a breach by the issuer of the disclosure obligations set out in Appendix 3 to the ATS Rules, the issuer should immediately publish information explaining the situation in accordance with the procedure applicable to the provision of current reports on the NewConnect market.	YES
17. <i>deleted</i>	-

