

ATLAS ESTATES LIMITED FORMAL SCHEDULE OF MATTERS RESERVED

TO THE BOARD OF DIRECTORS

In accordance with the Articles of Incorporation the Board comprises at least two and not more than six Directors.

Pursuant to the Articles of Incorporation, Company policy and its strategic direction are determined by the full Board, which meets quarterly, with due notice being given of the issues to be discussed. The meetings of the Board are held either in Guernsey or elsewhere outside of the United Kingdom and tend to be within Central and Eastern Europe. The Board has delegated some operational matters to AMC by way of the Property Manager and Advisor Agreement.

Pursuant to the Articles of Incorporation, the Board may exercise any powers of the Company to borrow money or to give guarantees, mortgage hypothecate pledge or charge all or part of its undertaking property or assets and uncalled capital and to create and issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. There shall be no limit on the borrowing powers of the Directors.

Pursuant to section 117 of the Companies (Guernsey) Laws, 2008, as amended, any document signed by at least one Director or by any other person duly authorized to act for the Company shall be deemed to have been validly executed for and in the name of the Company. Furthermore, in favour of a person dealing with the Company in good faith, the power of the Company's Directors to bind it, or to authorize others to do so, is deemed to be free of any limitation imposed by or deriving from: (i) the Company's memorandum or articles; (ii) any resolution of the Company; or (iii) any agreement between the Company's members or any of them.

A person deals with a company if he is a party to any transaction or other act to which the company is a party. There is a presumption that a person is acting in good faith unless the contrary is proved. Moreover, a person is not to be regarded as acting in bad faith solely because he knows that an act is beyond the directors' powers.

As a whole the Board is responsible for:

- (i) providing entrepreneurial leadership to the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- (ii) setting strategic aims, that the necessary financial and management/advisor resources are in place to meet those aims and reviewing management performance and
- (iii) setting the Company's values and standards and ensuring that its obligations to its shareholders are understood and met.

The matters that are reserved to the Board for its collective decision are the following:

Strategy and management

- (i) approval of annual budgets, business plans and corporate strategy, including any material changes, and review of performance against them;
- (ii) approval of all Group property investments and development projects in line with the corporate strategy and business plan other than those delegated to the Property Manager within the Property Manager Agreement;
- (iii) extension of the Group's activities into new business or geographic areas and any decision to cease to operate all or any material part of the Group's business;
- (iv) any decision to form or wind-up any subsidiary or to cease to carry on any business or permit any subsidiary to cease to carry on any business;
- (v) establishment of terms of reference for and membership and chairmanship of Board committees.

Structure and capital

- (i) the raising of capital whether through the stock exchange or by private placement and any capital reorganisation or restructuring or other change to the Company's capital structure;
- (ii) any increase in the share capital or loan capital of the Company or the issue of any warrants or other securities in respect thereof (subject to the Articles of Incorporation and shareholder approval as appropriate);
- (iii) any change to any corporate or trading name of the Company including any changes to the Company's listing or status as a public company (subject to the Articles of Incorporation and shareholder approval as appropriate);
- (iv) changes to the Group's management and control structure and major changes to the Group's corporate structure;
- (v) the adoption of any share option or similar incentive scheme or any major changes in relation to any such scheme(s);

Financial reporting and controls

- (i) approval of the Interim Statement and Annual Report and Financial Statements;
- (ii) approval of any report on Directors' Remuneration to form part of or be annexed to the Annual Report and Financial Statements;
- (iii) approval of borrowing and cash management policies;
- (iv) approval of significant changes in accounting policies or practices;
- (v) recommendation, declaration or payment of any dividend (subject to the Articles of Incorporation and shareholder approval as appropriate);

Contracts

- (i) acquisition and disposal of all property assets, to the extent not previously delegated by way of agreed delegation protocols to AMC. Between board meetings such authority may be given by a committee appointed by the board for such a purpose;
- (ii) corporate acquisitions, sales and take-overs;
- (iii) approval of all non-property investments;
- (iv) the formation of, and involvement in, any new joint-venture company or partnership arrangement to the extent not previously delegated by way of agreed delegation protocols to AMC;
- (v) approval of contracts not in the ordinary course of business, such as the making of a loan (other than normal trade credit) or the taking of general finance facilities (i.e. one not relating to a specific property transaction);

Communication

- (i) approval of all Circulars and Announcements relating to significant corporate activity or material changes to the financial position of the Group;
- (ii) any transaction which would require an announcement or notification to the London Stock Exchange or to the Takeover Panel and the rules or requirements of either of those bodies;
- (iii) resolutions and corresponding documentation to be put forward to shareholders at a general meeting;

Board membership and other appointments

- (i) selection of the Chairman, and appointment and removal of Directors, Property Manager, Administrator, Investment Advisor and the Company Secretary and approval of their terms of reference;
- (ii) appointment of Advisers to the Company to the extent not previously delegated by way of agreed delegation protocols to AMC;
- (iii) approval of the Remuneration of the Auditors and appointment, reappointment or removal of Auditors to be put to shareholders for approval following recommendation of the audit committee;
- (iv) determination of the independence of directors;
- (v) appointments to boards of subsidiaries;

Remuneration

- (i) determination of the remuneration of the Non-Executive Directors (subject to the articles of association and shareholder approval as appropriate);

Corporate Governance

- (i) review of the Group's overall corporate governance arrangements and review of the Company's own performance in this respect and that of its Directors and committees;
- (ii) approval of the Report on Corporate Governance, describing the Group's system of corporate governance and explaining the reasons for any areas of non-compliance with the Combined Code;
- (iii) internal control arrangements and risk management strategy, including an annual review of the effectiveness of the Group's systems of internal control and that of the Property Manager;

Other

- (i) charitable/political donations;
- (ii) prosecution, defence or settlement of legal proceedings (other than debt collection in the ordinary course of business);
- (iii) the creation of any mortgage or charge over any of the assets of the Company or any of its subsidiaries to the extent not previously delegated by way of agreed delegation protocols to AMC;
- (iv) the giving of any guarantee or indemnity in respect of any obligations of a party other than a subsidiary;
- (v) Directors' and Officers' liability insurance;
- (vi) approval of policies;
- (vii) matters reserved for Board decisions.

Pursuant to the Asset Management Agreement, the Property Manager and Administrator carry out the execution of these strategies and policies on a day to day basis. All transactions arising under the above require the signatures of at least two Directors.

Matters that the Board considers suitable for delegation are contained in the terms of reference of its committees and the letters of appointment of the Property Manager and the Administrator.

Where a decision is required between board meetings, this will be delegated to a committee to be formed in accordance with the Articles of Association.

Appointment and removal of Director

Pursuant to the Articles of Incorporation, the Board shall have power at any time to appoint any person who is willing to act as a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number (if any) fixed pursuant to the Articles of Incorporation. The appointment for a term does not apply to Directors. Any Director so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting if it is an Annual General Meeting. If not reappointed at such Annual General Meeting, he shall vacate office at its conclusion.

At each Annual General Meeting of the Company, one-third of the Directors who are subject to retirement by rotation (or if their number is not three or a multiple of three), the number nearest to, but (except where there are less than three Directors) not less than one-third, shall retire from office.

Pursuant to the Articles of Incorporation, no Director shall vacate or be required to vacate his office as a Director on all by reason of his attaining or having attained the age of 70 or any other age.

Without prejudice to the provisions for retirement (by rotation or otherwise) contained in the Articles of Incorporation the office of a Director shall ipso facto be vacated:

- (i) if Director (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his or her office by written notice signed by him sent to or deposited at the registered office or tendered at a board meeting;
- (ii) if he ceases to be a Director by virtue of the provisions of the Guernsey Law, is removed from office pursuant to the Articles of Incorporation or becomes prohibited by law from being a director;
- (iii) if Director and his or her alternate director (if any) appointed pursuant to the Articles of Incorporation shall have absented himself or herself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of six months and the Board resolves that his or her office shall be vacated;
- (iv) if Director becomes of unsound mind or incapable;
- (v) if Director becomes insolvent or makes any arrangement or composition with his or her creditors generally;
- (vi) if Director is requested to resign by written notice signed by all his or her co-Directors (other than any alternate Director of the Director concerned);
- (vii) if the Company in General Meeting by ordinary resolution shall declare that he or she shall cease to be a Director; or
- (viii) if Director becomes resident in the United Kingdom and, as a result thereof, a majority of the Directors are resident in the United Kingdom.