

Echo Polska rebounds on news that firm's director was arrested in personal capacity

By [Robert Laing](#)

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The share price of JSE-listed Polish shopping centre owner Echo Polska rebounded 11% to R15.48 on Thursday, 21 December. It plunged 20% on Wednesday after announcing that one of its non-executive directors had been detained.



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Polish newspapers reported that on Tuesday, the Central Anti-corruption Bureau detained five people in connection with the investigation regarding the acceptance of property benefits for 1.17-million zloty (about R3.6m).

Besides Echo Polska director Przemyslaw Krych, the anti-corruption bureau detained the president of Malopolskie Bus Stations, the son of a senator who is the vice-president of the board of the Malopolska foundation, and two other businessmen.

Echo Polska announced at 5.45pm on Wednesday that Krych had resigned as a non-executive director, about two hours after its 25% owner Redefine Properties issued a statement saying: "In the interests of good corporate governance and as a material shareholder in Echo Polska, Redefine has requested Echo Polska to procure Mr Krych's resignation as a nonexecutive director."

Echo Polska had issued a statement on Wednesday morning saying Krych had sent it a declaration saying he had not committed any crime, and he intended to prove his innocence.

The company said it did not know the content of the charges alleged against Krych as it was a matter being heard behind closed doors.

"In terms of Polish law details of the allegations are limited, but we are given to understand that the investigation relates to Mr Krych in his personal capacity and not as a nonexecutive director of Echo Polska," Redefine said in its statement.

Redefine said directors Andrew Konig and Marc Wainer, who are Echo Polska nonexecutive directors, "are confident with the levels of corporate governance that are applied within Echo Polska and have no reason to believe that there are any transactions to which Echo Polska is a party, that have in any manner transgressed the law".

Source: BDpro

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