

## **ARTICLES OF ASSOCIATION OF STALPRODUKT S.A. JOINT STOCK COMPANY**

### **I. General Provisions**

#### **§ 1**

The Company's business name is: Stalprodukt S.A. Spółka Akcyjna.  
The Company may also use the business name: Stalprodukt S.A.

#### **§ 2**

The seat of the Company is the town of Bochnia.

#### **§ 3**

1. The Company operates in the territory of the Republic of Poland and abroad.
2. The Company may establish departments, branch offices and enterprises in the country of operation and abroad, join other Companies and Cooperatives as well as other economic domestic and foreign organizations and also acquire and transfer stocks and shares from/to other companies.

#### **§ 4**

The Company may participate in other companies.

#### **§ 5**

The Company's lifetime shall be unlimited.

### **II. Object of Company's Operations.**

#### **§ 6**

The Company's business activity is (according to the Polish Classification of Activities):

1. Production of technical gases (PKD 20.11.Z),
2. Production of pig iron, ferroalloys, cast iron and steel and metallurgical products (PKD 24.10.Z),
3. Production of pipes, conduits, closed sections and connectors, of steel (PKD 24.20.Z),
4. Production of cold-rolled flat products (PKD 24.32.Z),
5. Production of cold-formed products (PKD 24.33.Z), 6. Production of metal structures and parts thereof (PKD 25.11.Z),
7. Production of metal doors and windows (PKD 25.12.Z),
8. Machining of metal elements (PKD 25.53.Z),
9. Production of other electrical equipment (PKD 27.90.Z),
10. Production of metal forming machinery and metalworking machines (PKD 28.41.Z),
11. Production of other mechanical tools (PKD 28.42.Z),
12. Repair and maintenance of machinery (PKD 33.12.Z),
13. Repair and maintenance of electronic and optical devices (PKD 33.13.Z),
14. Repair and maintenance of electrical equipment (PKD 33.14.Z),
15. Installation of industrial machinery, equipment and accessories (PKD 33.20.Z),
16. Production of electricity from non-renewable sources (PKD 35.11.Z),
17. Wind energy (PKD 35.12.A),
18. Solar energy (PKD 35.12.B),

19. Distribution of electricity (PKD 35.14.Z),
20. Trade in electricity (PKD 35.15.Z),
21. Storage of electricity (PKD 35.16.Z),
22. Production and supply of steam and air for air conditioning systems (PKD 35.30.Z),
23. Activities of brokers and agents in the field of electricity and natural gas (PKD 35.40.Z),
24. Energy recovery (PKD 38.22.Z),
25. Construction work related to the construction of residential buildings (PKD 41.00.A),
26. Construction work related to the construction of non-residential buildings (PKD 41.00.B),
27. Works related to the construction of telecommunications and power lines (PKD 42.22.Z),
28. Site preparation for construction (PKD 43.12.Z),
29. Electrical installation (PKD 43.21.Z),
30. Water and sewage, heating and air conditioning installation (PKD 43.22.Z),
31. Other construction finishing works (PKD 43.35.Z),
32. Other specialized construction works for the construction of buildings (PKD 43.42.Z),
33. Other specialized construction works, not elsewhere classified (PKD 43.99.Z),
34. Wholesale of motor vehicles, including motorcycles, and their parts and accessories (PKD 46.7),
35. Other wholesale of chemical products (PKD 46.85.B),
36. Non-specialized wholesale (PKD 46.90.Z),
37. Retail sale of fuel for vehicles (PKD 47.30.Z),
38. Retail sale of other products excluding motor vehicles, including motorcycles (PKD 47.7),
39. Road transport of goods (PKD 49.41.Z),
40. Warehousing and storage of other goods (PKD 52.10.B),
41. Other service activities supporting land transport (PKD 52.21.B),
42. Transshipment of goods at other transshipment points (PKD 52.24.C),
43. Other service activities supporting transportation (PKD 52.26.Z),
44. Hotels and similar accommodation facilities (PKD 55.10.Z),
45. Restaurants (PKD 56.11.Z),
46. Occasional preparation and delivery of food for external recipients (occasional catering) (PKD 56.21.Z),
47. Other publishing activities, excluding software (PKD 58.19.Z),
48. Other content distribution activities (PKD 60.39.Z),
49. Wired, wireless and satellite telecommunications activities (PKD 61.1.),
50. Telecommunications resale and intermediation activities (PKD 61.2.),
51. Other telecommunications activities (PKD 61.9.),
52. Other programming activities (PKD 62.10.B),
53. Other computer consultancy and management activities (PKD 62.20.B),
54. Other service activities in the field of information technology and computers (PKD 62.90.Z),
55. Other service activities in the field of computing infrastructure, data processing, website management (hosting) and related activities (PKD 63.10.D),
56. Other forms of granting credits, not elsewhere classified (PKD 64.92.B),
57. Other financial service activities, excluding insurance and pension funds, not elsewhere classified (PKD 64.99.Z),
58. Other activities supporting financial services, excluding insurance and pension funds (PKD 66.19.Z),
59. Buying and selling real estate on one's own account (PKD 68.11.Z),
60. Implementation of construction projects related to the construction of residential buildings (PKD 68.12.A),
61. Renting and management of own or leased real estate (PKD 68.20.Z),

62. Real estate brokerage (PKD 68.31.Z),
63. Activities related to real estate management performed on a fee or contract basis (PKD 68.32.B),
64. Accounting and bookkeeping activities (PKD 69.20.A),
65. Tax consultancy (PKD 69.20.B),
66. Other engineering activities and related technical consultancy (PKD 71.12.B),
67. Other technical research and analysis (PKD 71.20.C),
68. Research and development work in the field of natural and technical sciences (PKD 72.10.Z),
69. Rental and leasing of office machinery and equipment and computers (PKD 77.33.Z),
70. Rental and leasing of other machinery, equipment and tangible goods, not elsewhere classified (PKD 77.39.Z),
71. Job search and staffing activities (PKD 78.10.Z),
72. Temporary employment agency activities and other activities related to the provision of employees (PKD 78.20.Z),
73. Support activities related to maintaining order in buildings (PKD 81.10.Z),
74. Service activities related to the development of green areas (PKD 1.30.Z),
75. Other health care activities (PKD 86.99. D),
76. Repair and maintenance of computers and (tele)communication equipment (PKD 95.1.).

If concessions or permits are required for certain activities to be pursued by the Company, the undertaking of such activities shall be dependent on their acquisition.

### **III. Company's Share Capital**

#### **§ 7**

1. The Company's share capital (alternatively, share capital) amounts to PLN 10,799,196 (ten million seven hundred ninety-nine thousand one hundred ninety-six zlotys) and is divided into 5,399,598 (five million three hundred ninety-nine thousand five hundred ninety-eight) shares with a nominal value of PLN 2 PLN .00 (two zlotys) each as follows:
  - a) 68,043 (sixty-eight thousand forty-three) series A shares, including 66,597 (sixty-six thousand, five hundred and ninety-seven) registered preference shares and 1,446 (one thousand, four hundred and forty-six) non-preference registered shares,
  - b) 266,791 (two hundred and sixty-six thousand, seven hundred and ninety-one) series B registered preference shares,
  - c) 780,000 (seven hundred and eighty thousand) series C ordinary bearer shares,
  - d) 780,000 (seven hundred and eighty thousand) series D ordinary bearer shares,
  - e) 1,199,764 (one million one hundred ninety-nine thousand seven hundred sixty-four) series E registered preference shares,
  - f) 1,105,000 (one million one hundred and five thousand) series F ordinary bearer shares,
  - g) 1,200,000 (one million two hundred thousand) series G ordinary bearer shares.
2. The Company's shares may be registered and bearer. Shares may be issued in collective shares. Series A, B and E shares are registered preference shares (subject to § 7 section 1 point a) and cannot be converted into bearer shares. Series C, D, F and G shares are bearer shares.

#### **§ 8**

The Company is authorized to issue bonds, including bonds convertible to shares.

## **§ 9**

Subscriber shares may only be issued to physical persons, who at the moment of reception, were employees of Zakład Przetwórstwa Hutniczego (Metallurgical Processing Plant) in Bochnia, and to the legal person – Huta im. Tadeusza Sendzimira (Tadeusz Sendzimir Steel Works) in Cracow.

The concept of ‘employees of Zakład Przetwórstwa Hutniczego in Bochnia’ refers both to ZPH and TD-2 employees.

## **§ 10**

1. Physical persons have received, without prejudice to § 9:
  - 78 000 /seventy-eight thousand/ of series A shares,
  - 312 000 /three hundred twelve thousand/ of series B shares,
  - 1 326 000 /one million three hundred twenty-six thousand/ of series E shares.
2. The legal person - Huta im. Tadeusza Sendzimira (Tadeusz Sendzimir Steel Works) in Cracow is receiving:
  - -52 000 /fifty-two thousand/ of series A shares,
  - -208 000 /two hundred and eight thousand/ of series B shares,
  - -884 000 /eight hundred and four thousand/ of series E shares.

## **§ 11**

1. Series A, B and E shares are registered preference shares, except for 1,446 series A shares, which are non-preference registered shares.
2. The preference status of series A, B and E shares refers to the voting right at the General Meeting of Shareholders and division of property in the event of liquidation.
3. One preference share entitles its holder to 5 votes at the General Meeting of Shareholders.
4. In the event of Company’s liquidation, from the property left out after creditors have been satisfied, first, the nominal amount corresponding to all the shares shall be disbursed, then the rest of the property shall be proportionally divided into preference shares.

## **§ 12**

1. A disposal of registered shares shall be performed, solely, by an announcement of call within the framework of sales organized by the entity defined in § 4 hereof, or executed directly from a civil law agreement.
2. A disposal of registered shares requires a prior written consent of the Management Board. The Management Board’s decision on the consent or absence of consent should be made within 7 days from the date that the application to this effect has been filed by the transferor or acquirer (transferee).
3. In the event, the consent, referred to in the preceding section, is not given to the transferor, the Management Board shall define the shares acquirer (transferee) within 7 days from the reception of the application. The defined acquirer (transferee) shall purchase the Company’s shares concerned within 7 days and shall pay the sales price in respect of the shares, not later than within 7 days from the date of purchase. The sales price shall be the average amount of registered shares quotations dating back to the last two months prior to the date of application, the procedures applied in compliance with the rules provided for in par. 4, or if at the time concerned there were no registered shares

transactions (quotations), the price shall be calculated on the basis of the (arithmetic) mean of the prices, quoted in civil law agreements concluded at the time concerned.

If it is still impossible to fix the price, then, the price shall be fixed, respectively, as if for the shares traded at the time on the stock market, in compliance with art. 79 of the Law as of 29.07.2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies (or another legal act replacing it) on the date the application is filed.

4. The Company may entrust the registered shares trade to an authorized entity.
5. A disposal of the registered shares with a breach to the provisions hereof, shall be ineffective in respect of the Company and, moreover, a disposal of shares referred to in § 2 shall result in the loss of their preference status pursuant to art. 352 sentence 2 of the Code of Commercial Companies.

### **§ 13**

Registered preference shares shall undergo succession with their preference status sustained.

### **§ 14**

1. The Company may purchase its own shares for redemption.
2. Shares may not be redeemed without the shareholder's consent.
3. Shares may be redeemed both from pure profit and in accordance with the regulations on the reduction of the share capital.
4. In order to redeem the shares, the General Meeting will authorize the Management Board to purchase the shares, specifying its conditions, including the number of shares, the authorization period and the maximum and minimum price. The terms of the acquisition require approval by the Supervisory Board.

## **IV. Company's Governing Bodies**

### **§ 15**

The Company's governing bodies are:

A/ Management Board

B/ Supervisory Board

C/ General Meeting of Shareholders

### **A/ COMPANY'S MANAGEMENT BOARD**

### **§ 16**

1. The Company's Management Board is composed of two up to four persons, appointed for a three-year term-of-office by the Supervisory Board, in the following manner:

- a) the President of the Management Board is appointed by the Supervisory Board from among the applicants brought forward by the Members of the Supervisory Board.
- b) The remaining Members of the Management Board shall be appointed by the Supervisory Board upon the motion of the President of the Management Board. The Supervisory Board shall recall the Members of the Management Board – except for the President of the Management Board.

2. The President and Members of the Management Board may also be appointed from the outside of the shareholders' circle.
3. The employment contracts with the President and Members of the Board shall be concluded in the name of the Company by the Chairman of the Supervisory Board or another representative of the Supervisory Board delegated from among of its members.

#### **§ 17**

1. The dismissal of the President or Members of the Management Board shall not affect their claims resulting from the employment contracts.
2. The President, certain Members or all Members of the Management Board can be suspended from discharging their duties for a maximum three-month period, for important reasons, by virtue of the resolution of the Supervisory Board, passed in the presence of, at least, six members of the Board and minimum five votes cast in favor of the suspension. In the event the President of the Board is suspended from duties – the Supervisory Board motions the Management Board to convene an Extraordinary General Meeting of Shareholders, which shall adopt a resolution on whether to sustain or recall the President of the Board.  
In the event, the remaining Members of the Management Board are suspended – the Supervisory Board shall adopt a resolution on their sustaining or recalling - in the presence of at least six Supervisory Board Members and minimum 5 votes cast in favor of the resolution.
3. The President or Member of the Management Board may not be involved in any competitive business or participate in any competitive Company as a partner/ shareholder or member of the governing bodies, without a permit from the Supervisory Board.
4. The Supervisory Board determines the amount of basic remuneration and bonuses for the President and other Members of the Management Board in accordance with the "Remuneration Policy for Members of the Management Board and Supervisory Board" approved by the General Meeting.

#### **§ 18**

All Company's matters, which are not directly reserved for the competence of the General Meeting of Shareholders or Supervisory Board belong to the scope of Management Board's activities.

#### **§ 19**

The Management Board shall manage the Company's property and matters, discharging their duties with due diligence required in economic operations, with strict observance of legal regulations, Articles of the Company as well as resolutions and rules adopted by the General Meeting of Shareholders and Supervisory Board.

#### **§ 20**

1. The Management Board shall represent the Company outside in front of any authorities, third parties, in court and out of court.
2. Representations and signing on behalf of the Company may be made by the President of the Board acting independently, or by two Members of the Board acting jointly, or by one Member of the Board acting together with a holder of the joint commercial power of attorney.

### **§ 21**

1. The Management Board shall be responsible for day-to-day running of the Company's affairs.
2. The Management Board's Rules shall define the Management Board's detailed procedures and also all matters which require adoption by way of the Management Board's resolution, as well as matters which can be arranged by specific Members of the Board in the name of the Board.

The Rules shall be adopted by the Management Board upon the President's motion and shall be, subsequently, approved by the Supervisory Board.

### **§ 22**

The President of the Board shall organize and manage the Company's activities within the scope of national defense in compliance with statutory provisions, including provisions on the protection of state and public service secrets.

### **§ 23**

The Company's employees are subordinated to the President of the Management Board, who fulfills the function of the Employer in the understanding of the Labor Code provisions

## **B/ SUPERVISORY BOARD**

### **§ 24**

The Supervisory Board is composed of five to seven members appointed by the General Meeting for the common term of office. The number of the Supervisory Board members is specified by the General Meeting.

### **§ 25**

Entire Paragraph Deleted.

/Resolution No XX/12b/2005 of the General Meeting of Shareholders as of 30 June 2005/

### **§ 26**

1. The term of office of the Supervisory Board Members is three years.
2. The Supervisory Board elects its Chairman, Vice-Chairman and Secretary from among of its Members.

### **§ 26**

1. The Council meets once a quarter or more frequently at the invitation of the Chairman. Moreover, a meeting of the Supervisory Board should be convened at the written request of three members of the Supervisory Board, submitted to the Chairman, or at the request of the Management Board. The invitation must meet the requirements set out in Art. 389 of the Code of Commercial Companies.
2. Members of the Board perform their rights and obligations in person. The Supervisory Board may delegate persons out of its members to perform individual supervisory activities. These members receive a separate remuneration, the amount of which is determined by the General Meeting in accordance with the Company's "Remuneration Policy for Members of the Management Board and Supervisory Board". These members are bound by a non-compete clause. All members of the Supervisory Board are obliged to keep professional secrecy;

3. The Supervisory Board adopts resolutions if at least half of its members is present at the meeting, and all the members have been invited, or with the consent of all members by way of circulation without convening it in a formal way.
4. The proceedings should be recorded. The minutes are signed by the Chairman and the present members of the Supervisory Board. The minutes should list the members participating in the meeting and specify the method of conduct, names and surnames of the members participating in the voting and the number of votes cast for individual resolutions. The minutes should be collected in the book of minutes. The minutes should be accompanied by dissenting opinions of the members present and the objections of the members who were absent from the meeting of the Supervisory Board, sent later.

## § 28

Among the special duties of the Supervisory Board there shall be:

1. Election of the President and Members of the Management Board. Dismissal of the Members of the Management Board, except for the President of the Management Board.
2. Assessment of the financial report, Management Board's report on the Company's activities and Management Board's conclusions on profit distribution or covering of loss for the previous reporting year.
3. Reviews of periodic quarterly reports with the right of making remarks and requesting explanations from the Management Board, checking the books of accounts and Company's cash assets, at all times at their own discretion.
4. Preparation and submission to the General Meeting of the report (report of the supervisory board) for the previous financial year in accordance with Art. 382 § 3 point 3 and § 3<sup>1</sup> of the Code of Commercial Companies.
5. Suspending the President and/or Members of the Management Board from duties for important reasons.
6. Delegating its Members to temporary performance of the activities of the Management Board Members who cannot perform their activities.
7. Approving of the Management Board Rules and Company's enterprise organizational rules.
8. Expressing consent to the acquisition by the Company of stocks or shares in another company and to transfer the same.
9. Expressing consent to the Company's making in-kind contribution to another company.
10. Expressing the consent to the conclusion by the Company of a long-term agreement obligating the Company to a payment exceeding the value of 10% of the equity.
11. Expressing the consent to the disposal of the Company's fixed assets, whose value exceeds 1% of the equity and donation exceeding the amount of PLN 50,000.
12. Adopting by resolution Company's business plans upon the Management Board's motion.
13. Selection of the audit firm to audit the Company's financial statements and the consolidated statements of the Stalprodukt Capital Group and selection of the audit firm to attest to the sustainable development reporting.
14. Adopting "The rules of benefits and remuneration of the Management Board", in accordance with the "Remuneration Policy for Members of the Management Board and Supervisory Board" approved by the General Meeting, containing detailed remuneration principles and criteria.
15. Submitting to the General Meeting an annual report on the remuneration of members of the Management Board and the Supervisory Board starting from the year after the adoption of the "Remuneration policy for members of the Management Board and the Supervisory Board.

16. Appointment of the Audit Committee (if such an obligation results from the generally applicable provisions of law). In such a case, the Supervisory Board adopts the regulations of the Audit Committee, in which it specifies the detailed principles of its functioning.
17. Expressing consent to the acquisition and transfer of real estate, perpetual usufruct or share in the real estate.
18. Development of a procedure for periodic assessment of significant transactions with related parties within the meaning of the Act of 29 July 2005 on Public Offering and Conditions for Introducing Financial Instruments to Organized Trading and on Public Companies.
19. Assessing and approving the conclusion of significant transactions with related entities referred to in paragraph 18 above.
20. Submission of periodic reports on the assessment of significant transactions of the Company, referred to in para. 18 above.
21. If the Company's financial statements are subject to statutory audit, the Supervisory Board is obliged, at least one week in advance, to notify the key statutory auditor who audited the Company's financial statements of the date of the meeting on the matters specified in Art. 382 § 3 of the Code of Commercial Companies.

### **§ 29**

1. The Supervisory Board may express an opinion in all Company's matters and address the Management Board with motions and initiatives.
2. The Management Board is obligated to notify the Supervisory Board on its standpoint referring to an opinion, motion or initiative of the Supervisory Board within the time limit specified in the minutes of the Supervisory Board's meeting.
3. The Supervisory Board may review any area of Company's activities, request reports and explanations from the Management Board or Company's employees, review the property status and check books and documents.

## **C/ GENERAL MEETING OF SHAREHOLDERS**

### **§ 30**

1. The General Meeting of Shareholders may be ordinary or extraordinary.
2. The Ordinary General Meeting shall be convened by the Management Board within six months after the lapse of each reporting year.
3. The Extraordinary General Meeting of Shareholders shall be convened by the Management Board of its own initiative or upon a motion of a Shareholder or Shareholders representing at least one twentieth fraction of the initial capital. The Shareholder or Shareholders are obligated to file the request on convening the Extraordinary Meeting of Shareholders with the Management Board in writing or by electronic means.
4. The Meeting, referred to in par.3, shall adopt a resolution which shall resolve whether or not the meeting costs of convening and holding are to be born by the Company. The Shareholders, upon whose request the Meeting was convened, may apply with the Court of Registration for an exemption from the costs imposed by the resolution of the Meeting.
5. The Supervisory Board may convene an Ordinary General Meeting if the Company's Management Board fails to convene the same within the time limit provided for in the Code of Commercial Companies or two weeks elapsing from the appropriate Supervisory Board's request, as well as Extraordinary General Meeting, if they deem it necessary.

6. The Shareholders representing at least a half of the initial capital or at least a half of the total number of votes in the Company may convene an Extraordinary General Meeting. The Shareholders shall appoint the Chairman of such a meeting.

### § 31

1. The General Meeting of Shareholders may pass resolutions exclusively in the matters contained in the agenda.
2. The agenda is defined by the Management Board.
3. A Shareholder or Shareholders representing at least one twentieth fraction of the initial capital may request putting specific matters on the agenda of the closest General Meeting to come. The request should be filed with the Management Board no later than twenty one days prior to the designated time of the Meeting. The request should include a statement of reasons or a draft resolution on the proposed item of the agenda. The request may be filed by electronic means.
4. A Shareholder or Shareholders representing at least one twentieth fraction of the initial capital may, before the designated time of the General Meeting, file with the Company, in writing or by electronic means, draft resolutions on matters placed on the General Meeting agenda, or matters which are to be placed on the agenda. The Company shall immediately publish the draft resolutions on its web-site.
5. During the General Meeting each Shareholder may submit draft resolutions on the matters placed on the agenda.

### § 32

1. The General Meeting may adopt resolutions regardless of the number of attending Shareholders or represented shares, however, the adoption by the General Meeting of a resolution on the increase of initial capital, stipulating the reception of new shares by private subscription or by open subscription by a designated addressee, requires the attendance of Shareholders representing at least one third of the initial capital. If the General Meeting, convened with a view to adopting such a resolution, has not been of due to the lack of the above quorum, another General Meeting may be convened, during which the resolution concerned may be adopted irrespective of the number of attending Shareholders.
2. Shareholders may participate in the General Meeting of Shareholders in person or by proxy.
3. A power of attorney to participate in the General Meeting and exercise voting rights must be granted in writing or electronically. Granting a power of attorney in electronic form does not require documentation.

### § 33

Resolutions of the General Meeting are adopted by an absolute majority of votes cast, except that a resolution on a significant change in the subject of the Company's enterprise requires a majority of 2/3 of the votes cast, while resolutions on amending the statute, changing the share capital and merging or liquidating the Company require a majority of 3/4 of the votes cast.

### **§ 34**

Voting shall be by open ballot. Voting by secret ballot shall be ordered for the election and/or motions for dismissal of members of governing bodies or Company's liquidators, or charging them with responsibility. Moreover, voting shall be by secret ballot if, at least one of the persons entitled to vote, made a motion to this effect.

### **§ 35**

1. The General Meeting of Shareholders shall be opened by the Chairman of the Supervisory Board or a shareholder indicated by him/her, after which a chairman shall be elected from among all the shareholders entitled to vote.
2. The General Meeting of Shareholders shall pass its Rules which shall define in detail the mode of the conducted proceedings.

### **§ 36**

Among the competences of the General Meeting there shall be:

1. Dismissal of the President of the Management Board.
2. Review and approval of the Company's annual financial report, Management Board's annual report on the Company's activities, and also the Capital Group's consolidated financial report.
3. Adoption of the "Remuneration Policy for Members of the Management Board and Supervisory Board".
4. Giving opinions on remuneration reports for Members of the Management Board and Supervisory Board
5. Deciding on how to distribute profits or how to cover losses.
6. Granting a vote of approval to the Company's governing bodies.
7. Amendments to the Company's Articles of Association.
8. Increase or decrease of the Company's share capital.
9. Change in the Company's object of operations.
10. Company's merger or transformation.
11. Company's liquidation, selection of liquidators and division of Company's property after the liquidation.
12. Issuance of bonds.
13. Decisions regarding claims for compensation of the damage suffered at the time of Company's formation and in course of managerial and supervisory activities.
14. Deciding on the use of supplementary capital and raising and purpose of capital reserves.
15. Other competences described as exclusive powers of the General Meeting of Shareholders by virtue of the Code of Commercial Companies, except for the expression of consent to the purchase and disposal of immovable property, perpetual usufruct, or share in the immovable property, which were delegated to the competency of the Supervisory Board.

## **V. Company's Business Operations**

### **§ 37**

1. The organizational structure of the Company's enterprise shall be defined in the organizational rules adopted by the Management Board and approved of by the Supervisory Board.
2. The organizational rules may define, in particular, the rules of formation or form internal organizational units.

### § 38

1. The Company shall keep accounting records in compliance with applicable provisions.
2. The Company's reporting year shall be the calendar year.
3. The Company's first reporting year shall start as of the day of Company's registration.

### § 39

1. The Company's Management Board is obliged to:
  - 1) prepare a financial statement together with a report on the Company's activities for the last financial year within three months of the balance sheet date,
  - 2) subject the financial statements to an audit by a certified auditor,
  - 3) subject the remuneration report to the auditor's assessment,
  - 4) submit for review to the Supervisory Board the documents referred to in item 1) together with the report of the independent auditor on the audit of the annual financial statements,
  - 5) present to the Annual General Meeting the documents listed in item 1), the report of the independent auditor on the audit of the annual financial statements and the report of the Supervisory Board on the assessment of the financial statements and the Company's activities for the last financial year as well as the remuneration report.
2. The Company forms a supplementary capital fund against losses shown in the balance sheet. 8% of annual pure profit shall be transferred to the supplementary capital fund until the supplementary capital has reached, at least, 1/3 of the share capital. At the moment the supplementary capital reaches 1/3 of the share capital, further deductions from profit may cease. Independently of the supplementary capital, other reserve funds can be raised. If the whole supplementary capital were used up to cover losses and, additionally, a part of the share capital as well, then in the years to come, until the share capital is compensated up to the original amount, the sums intended for the supplementary capital should to converted to the share capital.
3. If the balance sheet prepared by the Management Board shows a loss exceeding the sum of supplementary and reserve capital and one-third part of the share capital, then the Management Board should, immediately, convene the General Meeting of Shareholders with a view to adopting a resolution on the Company's further existence.

### § 40

1. Company's profit shall be appropriated to:
  - a) supplementary capital deductions
  - b) dividend for shareholders
  - c) investments
  - d) deductions for capital reserves raised in the Company
  - e) others purposes defined by a resolution of the General Meeting of Shareholders
2. The General Meeting of Shareholders resolves the question of capital reserves formation and appropriation.
3. The General Meeting of Shareholders defines " the dividend day" and time limit for the disbursement of dividend
4. The Shareholders are entitled to a share in the annual profit, appropriated for distribution by the General Meeting of Shareholders (right to dividend).  
Dividend is distributed against the nominal value of shares.

## **VI. Final Provisions**

### **§ 41**

Deleted Resolution No XXVI/14c/2010 of the General Meeting of Shareholders.

### **§ 42**

1. The Company shall publish its announcements in Monitor Sądowy i Gospodarczy [Court and Business Bulletin]. This duty does not concern the General Meeting announcements.
2. The Company's General Meeting shall be convened by the Management Board with an announcement published on the Company's web-site and according to the procedure governing the disclosure of current information to the public, in compliance with the public offering provisions and conditions governing the introduction of financial instruments to organized trading and trading in financial and other instruments regulating the activities of public companies.
3. The announcement of the General Meeting shall be made at least twenty six days prior to its designated time.

### **§ 43**

In all matters not provided for herein, the provisions of the Code of Commercial Companies shall apply.

### **§ 44**

All charges and expenses connected with the formation and registration of the Company shall be covered by all the shareholders proportionally to the shares of.

### **§ 45**

The copies hereof should be issued to the shareholders and Company in an unlimited number.