

**Current Report (CR) No 20 – Draft Resolutions of the Extraordinary General Meeting (22.09.2017)**

The Stalprodukt S.A. Management Board, herewith, discloses to the public the content of draft resolutions of the Extraordinary General Meeting, which will be held in Bochnia on 19 October 2017.

**DRAFT RESOLUTION N° XXXV/1/2017  
of the Extraordinary General Meeting Stalprodukt S.A. in Bochnia to be held on 19 October 2017 concerning the election of the Chairman of the Meeting.**

The Extraordinary General Meeting of Stalprodukt S.A. in Bochnia, acting pursuant to Article 409 par. 1 of the Code of Commercial Companies adopts the following resolution:

§1

The Extraordinary General Meeting elects .....as the Chairman of the Extraordinary General Meeting.

§2

The Resolution takes effect on the day of adoption.

.....  
/signature of the elected /  
Chairman of the Meeting /

.....  
/signature of the Chairman  
of the Supervisory Board/

**DRAFT RESOLUTION N° XXXV/2/2017  
Of the Extraordinary General Meeting of Stalprodukt S.A. in Bochnia to be held on 19 October 2017 concerning the adoption of the agenda.**

The Extraordinary General Meeting of Stalprodukt S.A. in Bochnia adopts the following resolution:

§1

The Extraordinary General Meeting adopts the agenda which was included in the Announcement on the Extraordinary General Meeting published on the Company's web-site [www.stalprodukt.com.pl/investor-relations/annual-general-meeting-of-shareholders](http://www.stalprodukt.com.pl/investor-relations/annual-general-meeting-of-shareholders) on 22 September 2017.

§2

The Resolution takes effect on the day of adoption.

.....  
Chairman of the General Meeting

**DRAFT RESOLUTION N° XXXV/3/2017**

**of the Extraordinary General Meeting of Stalprodukt S.A. in Bochnia to be held on 19 October 2017 concerning the election of the Ballot Counting Committee of the Extraordinary General Meeting of Stalprodukt S.A. in Bochnia.**

The Extraordinary General Meeting of Stalprodukt S.A. in Bochnia adopts the following resolution:

§1

The following persons were elected to the Ballot Counting Committee:

1. ....
2. ....
3. ....

§2

The Resolution takes effect on the day of adoption.

.....  
Chairman of the General Meeting

**DRAFT RESOLUTION N° XXXV/4/2017**

**of the Extraordinary General Meeting of Stalprodukt S.A. in Bochnia to be held on 19 October 2017 concerning the election of the Resolutions Committee of the Extraordinary General Meeting of Stalprodukt S.A. in Bochnia.**

The Extraordinary General Meeting of Stalprodukt S.A. in Bochnia adopts the following resolution:

§1

The following persons were elected to the Resolutions Committee:

1. ....
2. ....
3. ....

§2

The Resolution takes effect on the day of adoption.

.....  
Chairman of the General Meeting

**DRAFT RESOLUTION N° XXXV/5/2017**  
**of the Extraordinary General Meeting of Stalprodukt S.A. in Bochnia dated 19 October 2017 concerning the amendment to the Company's Articles of Association.**

Pursuant to art. 430 par. 1 of the Code of Commercial Companies and par. 36 subpar. 5 and 7 of the Company's Articles – the Stalprodukt S.A. Extraordinary General Meeting, herewith, resolves as follows:

§ 1

The Company's Articles are amended in such a way that:

1. In par. 6 a subpar. 45 of the following content is added:  
*Manufacture and sale of hydrogen.*
2. par. 17 subpar. 2 in the present wording:

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

Is replaced with the following wording:

*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 all the 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 all the members of the Board and minimum five votes cast in favor of the resolution*

3. par. 24 in the present wording:

The Supervisory Board is composed of seven members appointed by the General Meeting to serve a joint term. The number of the Supervisory Board's members shall be defined by the General Meeting.

Is replaced with the wording:

1. *The Supervisory Board is composed of five up to seven members appointed by the General Meeting to serve a joint term. The number of the Supervisory Board's members shall be defined by the General Meeting.*
2. *The Supervisory Board's Rules shall be passed by the General Meeting.*

4. In par. 28 a subpar. 16 of the following content is added:

*Establishment of an Audit Committee (in as much as such an obligation arises from the generally applicable law provisions). In such a case the Supervisory Audit Committee shall pass the Audit Committee Rules, in which detailed rules of its operation shall be provided for.*

5. par. 27 subpar. 3 receives the following wording:

*The Supervisory Board shall adopt valid resolutions if at least half of its members are present, and all the members have been invited. The Supervisory Board may also adopt resolutions in written procedure or by means of direct distance communication. The written procedure and distance communication procedure shall be provided for in the Supervisory Board Rules.*

§2

The Resolution takes effect on the day of adoption.

.....  
Chairman of the General Meeting

Statement of reasons:

In connection with the Certified Auditors, Auditing Companies and Public Supervision Act as of 11 May 2017 becoming effective, public companies were obligated to introduce regulations and procedures adjusting the operation rules of the company's governing bodies (Supervisory Board, and Audit Committee in particular) to the Act requirements.

**DRAFT RESOLUTION N° XXXV/6/2017  
of the Extraordinary General Meeting of Stalprodukt S.A. in Bochnia of  
19 October 2017 concerning the determination of a consolidated text of the Articles of  
Association.**

§ 1

The Extraordinary General Meeting adopts a consolidated text of the Company's Articles of Association in the wording constituting appendix to this resolution.

§ 2

The resolution enters into force on the date of registration in the National Court Register.

.....  
Chairman of the General Meeting

**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**

- 1/ manufacture of electrical sheets,
- 2/ manufacture of cold-formed sections,
- 3/ manufacture of fabricated steel products,
- 4/ metallurgical and industrial products processing,
- 5/ manufacture of steel structures,
- 6/ manufacture of machinery, equipment and supplies,
- 7/ manufacture of metallurgical and technological equipment,
- 8/ manufacture of electrotechnical equipment and related services,
- 9/ research and experimental development within the scope of own and ordered projects and technical testing and analyses of product properties and technological media
- 10/ heat treatment and heat-and-chemical treatment services,
- 11/ repair and alteration activities and related services,
- 12/ auxiliary services within the scope of items 1-10, design and construction services and all kinds of engineering analyses, in particular, technical analyses and expert's opinions,
- 13/ trade /wholesale trade, retail trade and commission sale/ ,
- 14/ international trade within the scope of exports and services resulting from own activities and all forms of intermediation in exports and imports,
- 15/ keeping customs and consignment warehouses,
- 16/ forwarding and transport services,
- 17/ services in electrical and power sector
- 18/ hotel services,
- 19/ construction,
- 20/ agricultural activity and processing,
- 21/ medical practice services,
- 22/ manufacture of building materials and components,
- 23/ purchase and sale of receivables,
- 24/ financial services
- 25/ services and intermediation, including: poligraphy, security,
- 26/ sales of fuels,
- 27/ letting of own real property
- 28/ renting of other machinery and equipment
- 29/ renting of office machinery and equipment including computers

- 30/ book-keeping and accounting activities
- 31/ catering and related services,
- 32/ food preparation and supply to external recipients – catering,
- 33/ staff and payroll related services,
- 34/ heat production (steam and hot water),
- 35/ heat distribution (steam and hot water supply),
- 36/ rendering services in the scope of electric energy supply,
- 37/ Wired telecommunications activities
- 38/ Wireless telecommunications activities, excluding satellite communications
- 39/ Other telecommunications activities
- 40/ Software and IT consultancy activities and related activities
- 41/ Data processing, hosting and related activities; web portals
- 42/ Repair of computers and communication equipment
- 43/ Other technical testing and analysis,
- 44/ Generation of electricity,
- 45/ Manufacture and sale of hydrogen.

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 is PLN 11,160,534 (in words: eleven million one hundred and sixty thousand five hundred and thirty-four zloty) and is divided into 5,580,267 (five million five hundred and eighty thousand two hundred and sixty-seven) shares of a nominal value of PLN 2.00 (two zloty) each, in the following way:
  - a) 73,483 (seventy-three thousand four hundred and eighty-three) registered preference series A shares numbered from A 00000001 to A 0073483,
  - b) 295,540 (two hundred and ninety-five thousand five hundred and forty) registered preference B series shares numbered from B 00000001 to B 00295540,
  - c) 780,000 (seven hundred and eighty thousand) common bearer series C shares numbered from C 00000001 to C 00780000,
  - d) 780,000 (seven hundred and eighty thousand) common bearer series D shares numbered from od D 00000001 to D 00780000,
  - e) 1,346,244 (one million three hundred and forty-six two hundred and forty-four) registered preference series E shares numbered from E 00000001 to E 01346244,
  - f) 1,105,000 (one million one hundred and five thousand) common bearer F series shares numbered from F 00000001 to F 01105000,
  - g) 1,200,000 (one million two hundred thousand) common bearer G series shares numbered from G 00000001 to G 01200000.
2. The Company's shares may be issued as registered shares and bearer shares. Shares may be issued as collective share certificates. Shares of series A, B, E are registered preference shares and may not be converted to bearer shares. Shares issued as C, D, F and G series are issued as 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. All the shares of series A,B and E are registered preference 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. Shares may be redeemed, both from pure profit, as well as in compliance with the regulations on the decrease of share capital.
2. Shares shall be redeemed in such a way, that upon the determining by the General Meeting of Shareholders of the profit amount intended for the redemption of shares, the Supervisory Board shall define the terms and manner of the redemption by way of resolution.
3. Shares may not be redeemed without the shareholder's consent.
4. The Company may acquire its own shares with a view to redeeming.

## **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 all the 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 all the members of the Board and minimum five 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 shall determine the level of the basic remuneration and bonuses for the President and other Members of the Management Board as a multiplication of the average remuneration in the Company for the preceding month as well as determine other benefits for the Management Board. The basic remuneration, bonus and other benefits shall be granted to the Management Board in compliance with the "Management Board Rules on Remuneration and Benefits".

### **§ 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**

1. The Supervisory Board is composed of five up to seven members appointed by the General Meeting to serve a joint term. The number of the Supervisory Board's members shall be defined by the General Meeting.
2. The Supervisory Board's Rules shall be passed 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.

#### **§ 27**

1. The Supervisory Board shall meet once a quarter or more frequently further to the Chairman's invitation. Moreover, a meeting of the Supervisory Board must be convened upon a written request of three Members of the Board handed over to the Chairman, or upon the request of the Management Board.
2. The Members of the Board exercise their rights and duties in person. The Supervisory Board may delegate certain members to independent performing of specified supervisory activities. These members shall receive separate remuneration, whose amount shall be determined by the General Meeting of Shareholders. These members shall be bound by non-competition requirements. All members of the Supervisory Board are obligated to observe the confidentiality requirements.
3. The Supervisory Board shall adopt valid resolutions if at least half of its members are present, and all the members have been invited. The Supervisory Board may also adopt resolutions in written procedure or by means of direct distance communication. The written procedure and distance communication procedure shall be provided for in the Supervisory Board Rules.
4. Minutes should be taken of Board's meetings. The minutes should be signed by the Chairman and attending Members of the Board. The minutes should specify the members participating in the meeting and mode and result of voting. The minutes should be collected in the Book of Minutes. All dissenting judgements of Board Members and objections sent later by the Members absent from the meeting of the Supervisory Board should be enclosed in the Minutes.

## **§ 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. Reporting to the General Meeting of Shareholders on the fulfillment of duties in the fiscal year concerned.
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 certified auditor to carry out the audit of the Company's financial report.
14. Adopting the "Management Board Rules of Remuneration and Benefits" by resolution.
15. Expressing consent to the acquisition and transfer of real estate, perpetual usufruct or share in the real estate.
- 16.

## **§ 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 held 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. The proxy document authorizing to attend the General Meeting and exercise the voting right shall be granted in writing or by electronic means. The proxy granted by electronic means does have to bear the safe electronic signature, verified with a valid qualified certificate. The proxy notification procedure is provided for in the General Meeting Rules.

### **§ 33**

The resolutions of the General Meeting of Shareholders shall be adopted by the majority of votes, with a proviso, that a resolution on the change of the Company's object of operations requires the majority of 2/3 of cast votes, whereas the resolutions on amendments in the Articles, changes in the share capital, Company's merger or liquidation require the majority of 3/4 of cast votes.

### **§ 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. Deciding on how to distribute profit or how to cover loss.
4. Granting absolute vote of approval to the Company's governing bodies.
5. Amendments to the Company's Articles.
6. Increase or decrease of the Company's share capital.
7. Change in the Company's object of operations.
8. Company's merger or transformation.
9. Company's liquidation, selection of liquidators and division of Company's property after the liquidation.
10. Issuance of bonds.

11. Decisions regarding claims for compensation of the damage suffered at the time of Company's formation and in course of managerial and supervisory activities.
12. Deciding on the use of supplementary capital and raising and purpose of capital reserves.
13. 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. Within four months following the end of the reporting year, the Company's Management Board is obligated to prepare a balance sheet as of the last day of the year, profit and loss account and a detailed report on Company's operations in respect of the reporting period and submit the same in writing to the Supervisory Board.
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 be 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 held.

**§ 45**

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

**DRAFT RESOLUTION N° XXXV/7/2017  
of the Extraordinary General Meeting of Shareholders of Stalprodukt S.A. in Bochnia of  
19 October 2017 concerning the amendment to the Stalprodukt S.A. Supervisory Board  
Rules.**

Pursuant to art. 391 par. 3 of the Code of Commercial Companies – the Extraordinary General Meeting of Stalprodukt S.A. in Bochnia resolves, as follows:

**§ 1**

The Stalprodukt S.A. Supervisory Board Rules are amended as follows:

1. par. 2 of the present wording:

The Supervisory Board consists of seven members appointed by the General Meeting is replaced with the following:

shall be replaced with the following:

*The Supervisory Board consists of five up to seven members appointed by the General Meeting to serve a joint term. The number of the Supervisory Board members shall be defined by the General Meeting.*

2. par. 8 subpar. 3 in the present wording:

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.

shall be replaced with the following:

*The Supervisory Board adopts valid resolutions if at least half of its members are present at the meeting and all the members have been invited. The Supervisory Board may also adopt resolutions in a written procedure or by means of direct distance communication. Adopting a resolution in such a mode requires a statement of reasons and presentation of a draft resolution to all the members of the Supervisory Board. The resolutions adopted in such a mode shall be presented at the nearest meeting of the Supervisory Board with the voting results quoted, which*

*shall be recorded in the minutes. The above mode may not be used to adopt resolutions concerning the election of the Chairman, Vice-Chairman and Secretary of the Supervisory Board, appointment of the Management Board members as well as dismissals and suspensions from duty of the above officers.*

3. In par. 14 the subparagraphs. 3, 4, 5, 6, 7, 8 and 9 are added:

3. *The Supervisory Board appoints the Audit Committee. The composition and operating rules of the Audit Committee shall be defined in the Audit Committee Rules, passed by the Supervisory Board.*
4. *The Audit Committee should be composed of selected members, among whom at least one should possess the knowledge and skills in the field of accounting or auditing of financial reports.*
5. *The remaining members of the Audit Committee should possess the knowledge and skills within the scope of the industry in which Stalprodukt S.A is involved unless the case is that one member of the Committee possesses the knowledge and skills within the scope of the industry concerned and particular members possess the knowledge within definite areas of the industry concerned.*
6. *Most of the Audit Committee members, including its Chairman, should meet the conditions of independence in the meaning of art. 129 par. 3 of the Certified Auditors, Auditing Companies and Public Supervision Act as of 11 May 2017.*
7. *To this end, the Supervisory Board may verify the qualifications of the Audit Committee candidates, through the verification of documents confirming their knowledge and skills.*
8. *Among the tasks of the Audit Committee there are, in particular:*
  - a) *monitoring the financial reporting process,*
  - b) *monitoring the financial review process, in particular, the audit carried out by an auditing company, including all the motions and findings of Audit Supervision Committee,*
  - c) *controlling and monitoring the independence of the Certified Auditor and the auditing company, in particular, if some services other than the audit are rendered by the auditing company in favor of the Company,*
  - d) *informing the Supervisory Board of the audit results and explaining the way in which the audit contributed to the accuracy of the financial reporting in the Company as well as what the Audit Committee's role was in the auditing process,*
  - e) *assessing the independence of the Certified Auditor and giving them a consent to render permitted services other than the audit in the Company,*
  - f) *developing a policy for the selection of the auditing company to carry out the audit,*
  - g) *developing a policy for rendering services other than the audit by the auditing company, carrying out the audit, by the entities associated with the auditing company concerned and by the member of the auditing company's network,*
  - h) *defining the procedure for the selection of the auditing company by the Company,*
  - i) *presenting the Supervisory Board with a recommendation, referred to in art. 16 par. 2 of the Regulation No 537/2014, dated 16 April 2014 regarding detailed requirements concerning the statutory audits and financial reports of public interest entities, repealing the Commission's decision 2005/090/EC, in accordance with the policies referred to in subpar. f) and g),*
  - j) *submitting recommendations aimed at securing the accuracy of the financial reporting process in the Company.*
9. *In the case of expiration of the Supervisory Board's member's term, holder's of the independent member's status in the Audit Committee, who possessed the knowledge and*

*skills, referred to in par.14 subpar. 3-5 of the Supervisory Board Rules, the co-opted member of the Supervisory Board should possess the same qualifications as his/her predecessor.*

4. In par. 15 the subpar. 2 and 3 are being crossed out:

2. The Members of the Board are entitled to the bonus from the Company's profits.

3. The bonus ratio for the Board's term of office shall be defined by the General Meeting of the Shareholders.

§2

The Resolution takes effect on the day of adoption.

.....  
Chairman of the General Meeting

Statement of reasons:

In connection with the Certified Auditors, Auditing Companies and Public Supervision Act as of 11 May 2017 becoming effective, public companies were obligated to introduce regulations and procedures adjusting the operation rules of the company's governing bodies (Supervisory Board, and Audit Committee in particular) to the Act requirements and adjust the provisions of the Supervisory Board Rules to the amendments introduced to the Company's Articles of Association as of 20 June 2016.

**DRAFT RESOLUTION N° XXXV/8/2017**

**of the Extraordinary General Meeting of Shareholders of Stalprodukt S.A. in Bochnia of 19 October 2017 regarding the dismissal of the Supervisory Board's members.**

Pursuant to art. 385 par. 1 of the Code of Commercial Companies and par. 24 subpar. 1 of the Company's Articles – the Stalprodukt S.A. Extraordinary General Meeting, herewith, resolves as follows:

§1

The Extraordinary General Meeting dismisses Mr./Ms. .... from the function of the Company's Supervisory Board's member.

§2

The Resolution takes effect on the day of adoption.

.....  
Chairman of the General Meeting

**DRAFT RESOLUTION N° XXXV/9/2017**

**of the Extraordinary General Meeting of Shareholders of Stalprodukt S.A. in Bochnia of 19 October 2017 regarding the determined number of Supervisory Board's members appointed for a joint term.**

Pursuant to par. 24 of the Company's Articles – the Stalprodukt S.A. Extraordinary General Meeting, herewith, resolves as follows:

§1

The number of Supervisory Board's members is fixed at .....officers, appointed for a joint term.

§2

The Resolution takes effect on the day of adoption.

.....  
Chairman of the General Meeting

**DRAFT RESOLUTION N° XXXV/10/2017  
of the Extraordinary General Meeting of Shareholders of Stalprodukt S.A. in Bochnia of  
19 October 2017 regarding the election of the Supervisory Board's members.**

Pursuant to art. 385 par. 1 of the Code of Commercial Companies and par. 24 subpar. 1 of the Company's Articles – the Stalprodukt S.A. Extraordinary General Meeting, herewith, resolves as follows:

§1

The Extraordinary General Meeting elects Mr./Ms. ....to serve as a member of the Supervisory Board.

§2

The Resolution takes effect on the day of adoption.

.....  
Chairman of the General Meeting

**DRAFT RESOLUTION N° XXXV/11/2017  
of the Extraordinary General Meeting of Shareholders of Stalprodukt S.A. in Bochnia of  
19 October 2017 regarding the defined rules of remuneration for the Supervisory Board's  
members.**

Pursuant to art. 392 par. 1 of the Code of Commercial Companies the Stalprodukt S.A. Extraordinary General Meeting, herewith, resolves as follows:

§1

The Extraordinary General Meeting determines the following rules governing the remuneration for the Supervisory Board's members:

- a) Chairman of the Supervisory Board – monthly salary equivalent to average monthly salary in the Company for the previous month, multiplied by 1.4;
- b) Vice-Chairman and Secretary of the Supervisory Board monthly salary equivalent to average monthly salary in the Company for the previous month, multiplied by 1.2;



c) Member of the Supervisory Board – monthly salary equivalent to average monthly salary in the Company for the previous month, multiplied by 1.1;

Moreover, the remuneration of the Audit Committee's Member is raised by ....% in relation to the above defined remuneration levels.

§2

The Resolution No XI/7/98 of the Stalprodukt S.A. Steel Processing Plant in Bochnia as of 27 June 1998 is repealed.

§3

The Resolution takes effect on the day of adoption.

.....  
Chairman of the General Meeting