

Current report 14/2013

Dated: 8.08.2013

Subject: registration changes in the Articles of Association by National Court Register.

The Management Board of ZETKAMA S.A. hereby announces that on 7 August 2013, the company received from the District Court Wroclaw - Wroclaw factory KRS Division IX of the National Court Register, the information about registration of changes in the Articles of Association adopted at the Ordinary General Shareholders Meeting dated on 25 June 2013. Changes to the Articles of Association included the amendment of § 9.3, § 12, § 13, § 14, § 18, § 19, § 20 and § 9 of adding a new paragraph 5, as well as adding a new § 111 and § 131

Content previously existing Articles of Association and the content of the amended and registered entries is attached as Appendix 1 to this report. Furthermore the Issuer as attached to this report send an Annex 2 that shall communicate the text of the Statute takes into account the changes made.

Legal basis: § 38 sec. 1 point. 2, in conjunction with Art. to § 100 sec. 4 of the Regulation of the Minister of Finance dated 19 February 2009. on current and periodic information (...) (Dz.U.2009 No. 33. 259, as amended)

Legal basis:

art. 56 section 1 point 2 of the Offering Act

## **Annex no 1 to the current report no 14\_2013 – changes to the Articles of Association**

- I. The existing provisions of the Articles of Association have been amended at the Annual General Meeting on 25 June 2013.

§ 9 3. *The joint term of office of Management Board Members shall be five years.*

1.

§12.1. *The Supervisory Board shall consist of at least five Members, including Chairman and Deputy Chairman, appointed for the period of joint five-year term of office. Supervisory Board Members shall be appointed and dismissed by the General Meeting of Shareholders. The Supervisory Board shall be entitled to appoint Chairman, Deputy Chairman and Secretary of the Supervisory Board from among its Members.*

2. *The Supervisory Board shall adopt its rules in which it shall determine in detailed its organisation and method of performing duties.*

3. *Resolutions of the Supervisory Board shall be adopted by the absolute majority of votes cast in the presence of at least half of the Board composition unless regulations of the Commercial Companies Code and the Articles of Association of the Company provide for otherwise. In case votes divide equally, Chairman shall have the decisive vote.*

4. *Supervisory Board Members shall exercise their rights and obligations in person.*

5. *Subject to provisions of sec. 11, Supervisory Board Members may participate in adoption of resolutions of the Supervisory Board, by casting their votes in writing through another Supervisory Board Member, whereby a vote cast in writing shall not relate to issues introduced to the agenda throughout a Supervisory Board meeting.*

6. *Chairman or Deputy Chairman of the Supervisory Board shall convene a Supervisory Board meeting on a written motion of the Management Board of the Company.*

7. *There shall be ordinary and extraordinary Supervisory Board meetings. Ordinary meetings shall be held at least four times a year (once a quarter). An extraordinary meeting may be convened at any time.*

8. *Meetings shall be convened by notification by regular mail or e-mail, sent at latest one week before the date of the meeting, at the same time with a fax notification to those Supervisory Board Members who so requested unless all Supervisory Board Members agree to hold the meeting despite non-observance of the aforementioned one-week period.*

9. *Subject to provisions of sec. 11, Supervisory Board meetings shall also occur in a manner enabling simultaneous and direct communication of Supervisory Board Members using audiovisual technology (e.g. conference calls), computer systems and networks, etc. A resolution adopted this way shall be valid provided that all Supervisory Board Members have been notified about the content of a draft resolution and that each Supervisory Board Member who participated in the meeting signed the minutes. In this case, it shall be assumed that the place where the meeting is held and minutes are drawn up shall be the place where Chairman or Deputy Chairman is if the meeting is held under his/her chair.*

10. *Subject to sec. 11, the Supervisory Board may also adopt resolutions in writing outside of Supervisory Board meetings provided that all Supervisory Board Members have been notified about the content of draft resolutions.*

11. *Resolutions adopted in line with sec. 5, 9 and 10 shall not concern appointment of Chairman and Deputy Chairman, appointment of a Management Board Member, and dismissal and suspension of actions of those people.*

2.

§ 13.1. *The Supervisory Board shall continuously supervise operation of the Company in all areas of its operation.*

2. *Detailed duties of the Supervisory Board shall include:*

1) *evaluation of the Management Board's report of Company operation and the financial statement for the preceding financial year in respect of their conformity with account books and documents, and with the actual condition,*

2) *evaluation of motions of the Management Board regarding distribution of profit and coverage of losses; and submission of the annual written report of results of the evolutions to the General Meeting of Shareholders; and also evaluation of the statements and reports referred to in item 1,*

3) *approval of related to establishment of new enterprises, companies and joining the same, and liquidation of companies,*

4) *approval of related to purchase of sale of stock or shares in companies in which the Company holds a majority shareholding,*

5) *authorisation of the Management Board to open branch offices of the Company,*

6) *conclusion and termination of agreements with Management Board Members and determination of principles of their remuneration,*

7) *deleted*

8) *appointment of an expert auditor who audits the financial statement of the Company and consolidated financial statement of the Capital Group ,*

9) *evaluation of consolidated financial statements,*

10) *dismissal of Management Board Members,*

11) *approval of purchasing or selling real properties, perpetual usufruct or shares in real properties,*

12) approval of conclusion of an agreement with an underwriter referred to in Art. 433 § 3 of the Commercial Companies Code,

13) approval of the annual budget of the Company,

14) determination of the consolidated text, amended Articles of Association of the Company or introduction of other changes of editorial nature in the resolution of the General Meeting of Shareholders.

3. The following matters shall require a prior resolution of the Supervisory Board before resolved or implemented by the Management Board:

1) introduction of negative amendments in principles of procedure regarding environment protection,

2) sale, rent, pledge, mortgage or other encumbrance or disposal of property in one or several connected transactions of the book value exceeding 10% of the net value of tangible fixed assets in the balance sheet of the Company, excluding stock sold in the regular course of Company operation,

3) incurring a credit, loan, purchase or sale of debt securities, incurring another debt, and expending amounts in one or several connected transactions, and also incurring any off-balance liabilities, exceeding the one-off amount of PLN 500 000.00 (five hundred thousand) and the amount of PLN 1 000 000.00 (one million) throughout one year, except for expenses listed in the approved annual budget or borne in the regular course of Company operation,

4) granting a loan, issue of debt securities or granting another funds, and also providing sureties or performance bonds by a third party, exceeding the one-off amount of PLN 500 000.00 (five hundred thousand) and the amount of PLN 1 000 000.00 (one million) throughout one year, except for the so-called trade credits and other claims in the regular course of Company operation, and loans and other claims provided for in the approved annual budget of the Company,

5) any transactions concluded on terms and conditions other than terms and conditions between non-affiliated entities,

6) deleted,

7) deleted,

8) deleted.

3.

§ 14. 1. The General Meeting of Shareholders may be convened as ordinary or extraordinary. The General Shareholders Meeting shall convened by the Management Board

2. The Ordinary General Meeting of Shareholders shall be convened by the Management Board in six months after the end of each calendar year.

3. The Supervisory Board may convene the General Meeting of Shareholders if the Board does not convene it within the period specified in this chapter or the Articles of Association, and the Extraordinary General Meeting of Shareholders convened if it deems it advisable.

4. Shareholders representing at least half the capital or at least half of the total votes in the Company may convene an Extraordinary General Meeting. Shareholders appoint the chairman of the Assembly.

5. A shareholder or shareholders representing at least one-twentieth of the share capital may request the convening of the Extraordinary General Meeting and place certain matters on the agenda for this meeting. Request to convene an Extraordinary General Meeting of Shareholders must be submitted to the Management Board in writing or in electronic form. If, within two weeks from the date of request to the Management Board, the Extraordinary General Meeting of the shareholders is not convened, the registry court may authorize to the convening the Extraordinary General Meeting of shareholders submitting the request. The court shall appoint the chairman of the meeting.

4.

§ 18.1. Duties of the General Meeting of Shareholders shall include:

1) examination and approval of the Management Board report of Company operation and the financial statement for the previous financial year,

2) adoption of a resolution to distribute profit or cover losses,

3) acknowledgement of the fulfilment of duties by members of governing bodies of the Company,

4) determination of the number of Supervisory Board Members and principles of remuneration of Supervisory Board Members,

5) increase or decrease of the share capital,

6) amendment of the Articles of Association,

7) merger of the Company with another commercial company,

8) dissolution and liquidation of the Company,

9) issue convertible bonds, senior bonds or subscription warrants,

10) sale and lease of the entire business or its organised part, or establishing a limited right in property on the same,

11) establishment, determination of principles of use and liquidation of special purpose funds,

12) taking decisions in other matters that, in accordance with regulations of the Commercial Companies Code or wording of the Articles of Association fall into duties of the General Meeting of Shareholders.

2. Acquisition and disposal of real estates, perpetual usufruct or interest in a real property shall not require a resolution of the General Meeting of Shareholders referred to in Art. 393 item 4 of the Commercial Companies Code. In this case, only consent of the Supervisory Board expressed as a resolution referred to in § 13 sec. 2 item 10 shall be required.

3. Conclusion of an agreement referred to in Art. 433 § 3 of the Commercial Companies Code with an underwriter shall not require a resolution of the General Meeting of Shareholders. In this case, only consent of the Supervisory Board expressed as a resolution referred to in § 13 sec. 2 item 11 shall be required.

5.

§ 19 Observing pertinent legal regulations, the scope of Company operation may be changed without the obligation to redeem shares.

6.

§ 20. 1. The financial year of the Company shall be the calendar year.

2. The first financial year of the Company shall end on 31 December, 1991.

II. Changes in the Articles of Association adopted at the Annual General Meeting on June 25, 2013, and registered by the Court.

1. the § 9 paragraph. 3 Statutes of the Company is replaced by new, the following:

“ The Member of the Supervisory Board are appointed for a common term of five years”

2. In § 9 of the Articles of Association of the Company, after paragraph. 4 the following paragraph. 5, which reads as follows:

“§ 9.5. Member of the Board may be dismissed or suspended by the General Shareholders Meeting. Appeals Board member may only be for good reasons.”

3. After § 11 of the Articles of Association, the following § 11<sup>1</sup>, which reads as follows:

“§ 11<sup>1</sup>.1. Agreements with members of the Management Board shall, on behalf of the Company's Supervisory Board. The Supervisory Board may authorize by resolution of one or more members to perform such legal actions based on pre-approved by the text of the agreement.

2. The Supervisory Board represents the Company in a dispute with a member of the Board. ”

4. Changes to § 12 of the Articles of Association of the Company, which shall read as follows:

“§ 12. 1. The Supervisory Board shall consist of not less than five (5) members, including the Chairman, the Vice Chairman and the Secretary,

2. Members of the Supervisory Board are appointed by the General Meeting for a joint term of 5 (five) years.

3. The Supervisory Board appoints the Chairman, Vice Chairman and Secretary from among its members.

4. Resolutions of the Supervisory Board shall be adopted by an absolute majority of votes of at least half of the members of the Supervisory Board, if all members of the Board have been invited to the meeting. In case of equality of votes, the Chairman's vote.

5. Members of the Supervisory Board shall perform their duties in person.

6. The Supervisory Board members may participate in adopting resolutions of the Supervisory Board, by casting their votes in writing through another member of the Supervisory Board. Voting in writing does not apply to matters on the agenda at the meeting of the Supervisory Board.

7. Meetings of the Board shall be convened by notices sent by registered mail or by electronic mail to the address given by a member of the Supervisory Board, no later than 14 days before the meeting and also communicated to the Supervisory Board on the date and venue of the meeting by telephone.

8. The Supervisory Board may hold a hearing despite the absence of a formal convention referred to in paragraph. 7, when all members of the Board are present and no one objects to holding the meeting or being a member of the Council informed of the meeting states that he approves of the meeting despite his absence.

9. The Supervisory Board may also adopt resolutions in writing or by means of direct communication at a distance (teleconferencing, videoconferencing, etc. ). In this case, it is assumed that the meeting was held and the minutes shall be the place where the President or Vice-Chairman, depending on who chaired the meeting. Resolutions in writing or by means of direct remote communication shall be valid if all members of the Board have been notified of the draft resolution.

10. The resolutions adopted in the manner prescribed in paragraph. 6 and 9 above shall not apply to the election of Chairman and Deputy Chairman of the Supervisory Board, Management Board member appointment and removal or suspension of those people.

11. The Supervisory Board shall adopt regulations defining the detailed procedure of the Supervisory Board, its organization and manner of adopting resolutions."

5. Changes to § 13 of the Articles of Association of the Company, which shall read as follows:

"§ 13. 1. The Supervisory Board shall supervise the activities of the Company in all areas of its operations.

2. Subject to the other provisions of the Articles of Association and the provisions of the Commercial Companies Code, the specific responsibilities of the Board include:

- a) assessment of the Management Report and the financial statements of the Company in respect of their compliance with the books and documents, as well as the facts and if the company has subsidiaries, including an assessment of the consolidated financial statements and the report of the activities of the group;
- b) the assessment of the Board of the Company on the distribution of profit or covering of loss;
- c) submit an annual written report on the results of the assessment referred to in paragraph a) and b) above;
- d) suspension of the important reasons for individual or all members of the Management Board, the Supervisory Board for a period not exceeding three months, to temporarily perform the duties of members of the Board who have been dismissed, resigned or was otherwise unable to perform their duties;
- e) approving the regulations of the Board,
- f) approving the joining partnerships, as well as taking up and purchasing shares of companies, including the establishment of new companies;
- g) approving the sale or encumbrance of shares (or fractional part) or shares in other companies;
- h) approving the establishment of branches by the Board of the Company;
- i) determination of remuneration of members of the Management Board;
- j) the appointment of an auditor authorized to audit the financial statements of the Company and the consolidated financial statements of where the company has subsidiaries;
- k) approve the purchase or sale or load limited property right of ownership or perpetual usufruct or share in the ownership or perpetual usufruct, as well as agree to the transfer of ownership of property by a third party as collateral;
- l) approve the execution by the Company of the Underwriting Agreement or firm referred to in Art. 433 § 3 of the Code of Commercial Companies;
- ł) approval of annual budgets;
- m) approving the regulation, granting a lease or a lease, the load limited property right or encumbrance in another way, by means of one or several related legal actions, property with a value in excess of 10% of the value of fixed assets resulting from the last audited balance sheet of the Company ;
- n) approve the Company to credit, loan or other indebtedness, including the incurrence of contingent liabilities in excess of one-off amount of PLN 500,000 (five hundred thousand) or PLN 1,000,000 (one million) during the year (when incurring obligations occurs in several related transactions), except the expenses listed in the approved annual budget or incurred in the ordinary course of business of the Company;
- o) consent to the acquisition of debt securities or spending a lump sum amount in excess of PLN 500,000 (five hundred thousand) or PLN 1,000,000 (one million) per year (if assume a liability occurs within several related transactions), except the expenses listed in the approved annual budget or incurred in the ordinary course of business of the Company;
- p) approving the Company granted a loan or guarantees of performance by the other party in excess of one-off amount of PLN 500,000 (five hundred thousand) or PLN 1,000,000 (one million) per year, with the exception of the provision by the Company of the so-called . trade credits and loans and other debts provided for in the approved annual budget of the Company."

6 . After § 13 of the Articles of Association, the following § 13<sup>1</sup>, which reads as follows:

"§ 13<sup>1</sup>.1. The Council may delegate its members to perform certain supervisory functions.

2. Members of the Supervisory Board delegated to individual supervision receive separate remuneration in the amount determined by the General Assembly. "

7 . Changes to § 14 of the Articles of Association of the Company, which shall read as follows:

"§ 14.1. The General Meeting may be ordinary or extraordinary.

2 .The Annual General Meeting of Shareholders shall be held within six (6) months after the end of each financial year.

3 .The Extraordinary General Meeting shall be convened in the cases provided for in the Commercial Companies Code or the Articles of Association, as well as the bodies or persons authorized to convene the Extraordinary General Meeting deem appropriate.

4 .General Meeting convened by the Board.

5 .The Annual General Meeting may be convened by the Supervisory Board, if the Board fails to do so within the period specified in paragraph. 2 above.

6 .An Extraordinary General Meeting may be convened by:

a) the Supervisory Board, if it is convened by the Supervisory Board deems appropriate,  
b) shareholders representing at least half of the share capital or at least 50% of the total number of votes at the General Meeting. In this case, indicate the Chairman of the General Shareholders Meeting.  
7. A shareholder or shareholders representing at least one twentieth (1/20) of the share capital may request the convening of an Extraordinary General Meeting and the inclusion of specific items on the agenda of the Meeting. The request to convene the Extraordinary General Meeting shall be submitted to the Board in writing or in electronic form to the board office address indicated on the website. If within two weeks of submitting the request to the Board the Extraordinary General Meeting is not convened, the registry court may authorize the convening of an Extraordinary General Meeting of shareholders who with this request. The court shall appoint the chairman of the Meeting."

8. Changes to § 18 of the Articles of Association of the Company, which shall read as follows:

"§ 18. 1. Resolutions of the General Meeting shall be required:

- 1) review and approval of the Board of the Company's operations and financial statements for the previous financial year;
  - 2) review and approve the report of the Group's operations and consolidated financial statements, if the Company is committed to the preparation,
  - 3) adoption of a resolution on distribution of profit or covering of loss,
  - 4) to provide members of the Company in respect of the performance of their duties,
  - 5) appointing and dismissing members of the Board and determining the number of members of the Supervisory Board,
  - 6) determining the remuneration of the members of the Supervisory Board,
  - 7) a change in the Articles of Association of the Company,
  - 8) transformation or merger of the Company with another company,
  - 9) provision for damages caused by management or supervision,
  - 10) The sale or lease of an enterprise or its organized part and the establishment of a limited property right,
  - 11) issue of convertible bonds or bonds with pre-emptive rights and subscription warrants referred to in Art. 453 § 2,
  - 12) acquisition of own shares in the case referred to in Art. 362 § 1 point 2 of the Commercial Companies Code and authorized to acquire them in the case referred to in Art. 362 § 1 item 8 of the Code of Commercial Companies,
  - 13) dissolution and liquidation of the Company,
  - 14) creating, removing and setting the use of funds,
  - 15) other matters which, in accordance with the provisions of this Constitution or the provisions of the Commercial Companies Code are within the competence of the General Meeting.
2. Purchase and sale of real property, perpetual usufruct or share in the property without the approval of the General Assembly. In this case, requires the approval of the Supervisory Board in accordance with § 13 paragraph. 2 point k).
3. The conclusion of the underwriting agreement or service referred to in Art. 433 § 3 of the Commercial Companies Code does not require a resolution of the General Meeting. In this case, requires the approval of the Supervisory Board in accordance with § 13 paragraph 2 item l).

9. Changes to § 19 of the Articles of Association of the Company, which shall read as follows:

"§ 19 Change of business of the Company shall not redeem shares held by shareholders who do not accept the change, provided that the resolution is adopted by a majority of 2/3 (two thirds) of the votes in the presence of shareholders representing at least half of the share capital of the Company. "

10. Changes to § 20 of the Articles of Association of the Company, which shall read as follows:

"§ 20.1. The financial year is the calendar year.

2. The first financial year of the Company ends on 31 December 1991 "

ARTICLES OF ASSOCIATION

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ZETKAMA S.A. with its registered seat in Ścinawka Średnia

Consolidated text in the wording of the resolution adopted by founders of the Company on 01.12.1990 taking into account amendments adopted by the General Meeting of Shareholders on: 27.09.1991, 28.03.1992, 27.03.1993, 22.04.1995, 20.04.1996, 30.01.1999, 27.05.1999, 25.08.1999, 8.05.2001, 27.05.2002, 30.09.2003, 24.06.2004, 30.08.2004, 13.10.2004, notary deed of 07.03.2005, 6.12.2007, 15.12.2009, 29.06.2010, 26.06.2012, 25.06.2013.

§ 1

The Company shall operate under the business name: ZETKAMA Spółka Akcyjna. The Company can use the short name: ZETKAMA S.A.

§ 2

1. The registered seat of the Company is situated in Ścinawka Średnia.
2. The Company shall operate within the territory of the Republic of Poland and abroad.

§ 3

The Company shall operate based on legal regulations and provisions of the Articles of Association.

§ 4

The scope of Company operation shall include:

1. 28.14.Z Manufacture of other taps and valves,
2. 28.13.Z Manufacture of other pumps and compressors,
3. 24.51.Z Casting of iron,
4. 25.73.Z Manufacture of tools,
5. 24.54.B Casting of other non-ferrous metals, unclassified in other place,
6. 49.41.Z Freight Transport by road,
7. 16.24.Z Manufacture of wooden containers,
8. 46.74.Z Wholesale of hardware, plumbing and heating equipment and supplies,
9. 71.12.Z Engineering activities and related technical advice,
10. 72.19.Z. Research and experimental development on natural sciences and other technical,
11. 25.61 Z Metal working and coating of metals,
12. 25.62.Z Mechanical working of metal elements,
13. 70.22.Z Other advice on business and management,
14. 71.20.B Other technical testing and analysis,
15. 47.99.Z Other retail sale not in stores, stalls or markets,
16. 46.18.Z Agents specializing in the sale of other particular products,
17. 46.76.Z Wholesale of other intermediate products,
18. 46.77.Z Wholesale of waste and scrap,
19. 7.11.Z Renting and leasing of cars and vans,
20. 77.39.Z Renting and leasing of other machinery, equipment and tangible goods, unclassified in other place
21. 68.20.Z Renting and operating of own or leased property,
22. 64.19.Z Other monetary intermediation
23. 52.10.B Warehousing and storage of other goods,
24. 70.10.Z Activities of head offices and holding companies, with the exception of financial holding companies,
25. 64.92.Z Other credit granting.

§ 5

1. The share capital of the Company amounts to PLN 980 830 (nine hundred eighty thousand eight hundred thirty zloty) and is divided into 4 904 150 (four million nine hundred four thousand one hundred fifty) shares, each of nominal value amounting to PLN 0.20, (say: twenty groszy).
2. The share capital of the Company is only composed of bearer shares that cannot be exchanged for inscribed shares
3. Shares can be redeemed by voluntary redemption.

§ 6

(deleted)

§ 7

Shares in the share capital have been taken up by shareholders-founders as follows: (The list of shareholders from 1 to 359 skipped).

§ 8

Governing bodies of the Company shall include:

1. the Management Board of the Company
2. the Supervisory Board
3. the General Meeting of Shareholders

§ 9

1. The Management Board shall consist of one to four Members, including President of the Management Board.
2. President of the Management Board shall be appointed by the Supervisory Board. On a motion of President of the Management Board, the Supervisory Board shall appoint other Management Board Members.
3. The Member of the Supervisory Board are appointed for a common term of five years
4. Management Board Members shall be dismissed by the Supervisory Board.



5. Member of the Board may be dismissed or suspended by the General Shareholders Meeting. Appeals Board member may only be for good reasons.

§ 10

1. The Management Board of the Company, under the leadership of President, shall address matters of the Company and represent the Company outside.
2. All issues related to addressing matters of the Company not reserved by regulations of the Commercial Companies Code or the Articles of Association to be included in duties of the General Meeting of Shareholders or the Supervisory Board shall be incorporated in duties of the Management Board.
3. The Rules of the Management Board shall determined detailed principles of Management Board operation. The Rules of the Management Board shall be adopted by the Management Board and approved by the Supervisory Board.

§ 11

1. The following shall be authorised to submit statements of will in respect of material obligations and rights of the Company, and to sign agreements and incur liabilities on behalf of the Company:

- 1) President of the Management Board individually,
- 2) two Management Board Members together or one Management Board Member together with a proxy.

2. The provisions of paragraph 1. Do not preclude the establishment of a sole proprietorship or a total of procuration and does not restrict the rights of proxies under the provisions on the procuration.

§ 11<sup>1</sup>

1. Agreements with members of the Management Board shall, on behalf of the Company's Supervisory Board. The Supervisory Board may authorize by resolution of one or more members to perform such legal actions based on pre-approved by the text of the agreement.

2. The Supervisory Board represents the Company in a dispute with a member of the Board.

§ 12

1. The Supervisory Board shall consist of not less than five (5) members, including the Chairman , the Vice Chairman and the Secretary,

2. Members of the Supervisory Board are appointed by the General Meeting for a joint term of 5 (five) years.

3. The Supervisory Board appoints the Chairman, Vice Chairman and Secretary from among its members.

4. Resolutions of the Supervisory Board shall be adopted by an absolute majority of votes of at least half of the members of the Supervisory Board, if all members of the Board have been invited to the meeting. In case of equality of votes, the Chairman's vote.

5. Members of the Supervisory Board shall perform their duties in person.

6. The Supervisory Board members may participate in adopting resolutions of the Supervisory Board, by casting their votes in writing through another member of the Supervisory Board. Voting in writing does not apply to matters on the agenda at the meeting of the Supervisory Board.

7. Meetings of the Board shall be convened by notices sent by registered mail or by electronic mail to the address given by a member of the Supervisory Board, no later than 14 days before the meeting and also communicated to the Supervisory Board on the date and venue of the meeting by telephone.

8. The Supervisory Board may hold a hearing despite the absence of a formal convention referred to in paragraph. 7, when all members of the Board are pre sent and no one objects to holding the meeting or being a member of the Council informed of the meeting states that he approves of the rectum despite his absence.

9. The Supervisory Board may also adopt resolutions in writing or by means of direct communication at a distance (teleconferencing, videoconferencing, etc. ). In this case, it is assumed that the meeting was held and the minutes shall be the place where the President or Vice-Chairman, depending on who chaired the meeting. Resolutions in writing or by means of direct remote communication shall be valid if all members of the Board have been notified of the draft resolution.

10. The resolutions adopted in the manner prescribed in paragraph. 6 and 9 above shall not apply to the election of Chairman and Deputy Chairman of the Supervisory Board, Management Board member appointment and removal or suspension of those people.

11. The Supervisory Board shall adopt regulations defining the detailed procedure of the Supervisory Board, its organization and manner of adopting resolutions.

§ 13

1. The Supervisory Board shall supervise the activities of the Company in all areas of its operations.
2. Subject to the other provisions of the Articles of Association and the provisions of the Commercial Companies Code, the specific responsibilities of the Board include:
  - a) assessment of the Management Report and the financial statements of the Company in respect of their compliance with the books and documents, as well as the facts and if the company has subsidiaries, including an assessment of the consolidated financial statements and the report of the activities of the group;
  - b) the assessment of the Board of the Company on the distribution of profit or covering of loss;
  - c) submit an annual written report on the results of the assessment referred to in paragraph a) and b) above;
  - d) suspension of the important reasons for individual or all members of the Management Board, the Supervisory Board for a period not exceeding three months, to temporarily perform the duties of members of the Board who have been dismissed, resigned or was otherwise unable to perform their duties;
  - e) approving the regulations of the Board,
  - f) approving the joining partnerships, as well as taking up and purchasing shares of companies, including the establishment of new companies;
  - g) approving the sale or encumbrance of shares (or fractional part) or shares in other companies;
  - h) approving the establishment of branches by the Board of the Company;
  - i) determination of remuneration of members of the Management Board;
  - j) the appointment of an auditor authorized to audit the financial statements of the Company and the consolidated financial statements of where the company has subsidiaries;
  - k) approve the purchase or sale or load limited property right of ownership or perpetual usufruct or share in the ownership or perpetual usufruct, as well as agree to the transfer of ownership of property by a third party as collateral;
  - l) approve the execution by the Company of the Underwriting Agreement or firm referred to in Art. 433 § 3 of the Code of Commercial Companies;
  - ł) approval of annual budgets;
  - m) approving the regulation, granting a lease or a lease, the load limited property right or encumbrance in another way, by means of one or several related legal actions, property with a value in excess of 10% of the value of fixed assets resulting from the last audited balance sheet of the Company ;
  - n) approve the Company to credit, loan or other indebtedness, including the incurrance of contingent liabilities in excess of one-off amount of PLN 500,000 (five hundred thousand) or PLN 1,000,000 (one million) during the year (when incurring obligations occurs in several related transactions), except the expenses listed in the approved annual budget or incurred in the ordinary course of business of the Company;
  - o) consent to the acquisition of debt securities or spending a lump sum amount in excess of PLN 500,000 (five hundred thousand) or PLN 1,000,000 (one million) per year (if assume a liability occurs within several related transactions), except the expenses listed in the approved annual budget or incurred in the ordinary course of business of the Company;
  - p) approving the Company granted a loan or guarantees of performance by the other party in excess of one-off amount of PLN 500,000 (five hundred thousand) or PLN 1,000,000 (one million) per year, with the exception of the provision by the Company of the so-called . trade credits and loans and other debts provided for in the approved annual budget of the Company.

#### § 13<sup>1</sup>

1. The Council may delegate its members to perform certain supervisory functions.
2. Members of the Supervisory Board delegated to individual supervision receive separate remuneration in the amount determined by the General Assembly.

#### § 14

1. The General Meeting may be ordinary or extraordinary.
2. The Annual General Meeting of Shareholders shall be held within six (6) months after the end of each financial year.
3. The Extraordinary General Meeting shall be convened in the cases provided for in the Commercial Companies Code or the Articles of Association, as well as the bodies or persons authorized to convene the Extraordinary General Meeting deem appropriate.
4. General Meeting convened by the Board.
5. The Annual General Meeting may be convened by the Supervisory Board, if the Board fails to do so within the period specified in paragraph. 2 above.
6. An Extraordinary General Meeting may be convened by:

- a) the Supervisory Board, if it is convened by the Supervisory Board deems appropriate,
- b) shareholders representing at least half of the share capital or at least 50% of the total number of votes at the General Meeting. In this case, indicate the Chairman of the General Shareholders Meeting.

7. A shareholder or shareholders representing at least one twentieth (1/20) of the share capital may request the convening of an Extraordinary General Meeting and the inclusion of specific items on the agenda of the Meeting. The request to convene the Extraordinary General Meeting shall be submitted to the Board in writing or in electronic form to the board office address indicated on the website. If within two weeks of submitting the request to the Board the Extraordinary General Meeting is not convened, the registry court may authorize the convening of an Extraordinary General Meeting of shareholders who with this request. The court shall appoint the chairman of the Meeting.

#### § 15

1. The General Meeting of Shareholders may adopt resolutions only in matters included in the agenda.
2. The Agenda shall be determined by the Management Board of the Company.
3. A shareholder or shareholders representing at least one-twentieth of the share capital may request the inclusion of certain matters on the agenda of the next General Meeting of Shareholders. It should be notified to the Management Board no later than twenty-one days before the designated date of the meeting. Request shall include a justification or a draft resolution on the proposed agenda item. Request may be submitted in electronic form. The Management Board shall immediately but not later than eighteen days before the date of the General Meeting of Shareholders to announce changes to the agenda, introduced at the request of shareholders.
4. Shareholder or shareholders representing at least a one-twentieth of the share capital before the General Meeting of Shareholders may be declared to the Company in writing or by electronic means, draft resolutions on matters put into the agenda of the General Meeting of Shareholders or matters which are to be placed on the agenda. The Company shall promptly provide the draft resolutions on the website. Each of the shareholders at the General Meeting of Shareholders may submit draft resolutions on matters placed on the agenda.
5. The General Meeting of Shareholders shall be convened in the registered office of the Company, Warszawa, Wrocław, Łódź, Bielsko Biała, Sosnowiec.

#### § 16

The General Meeting of Shareholders may adopt resolutions regardless of the number of present shareholders and represented shares unless regulations of the Commercial Companies Code and the Articles of Association of the Company provide otherwise.

#### § 17

1. Resolutions of the General Meeting of Shareholders shall be adopted by the absolute majority of votes cast unless regulations of the Commercial Companies Code and the Articles of Association of the Company provide for otherwise.
2. In the case provided for in Art. 397 of the Commercial Companies Code, a resolution regarding dissolution of the Company shall require the majority of three quarters of votes cast.
3. Votes at the General Meeting of Shareholders shall be open. A secret vote shall be ordered in case of elections or in relation to motions to dismiss member of governing bodies or liquidators of the Company, or to bring them to account for something, also in personnel matters and on request of at least one shareholder present or represented at the General Meeting of Shareholders.
4. The General Meeting of Shareholders may adopt a resolution regarding cancelling the secrecy of the vote in matters related to selection of a commission appointed by the General Meeting of Shareholders.

#### § 18

1. Resolutions of the General Meeting shall be required:
  - 1) review and approval of the Board of the Company's operations and financial statements for the previous financial year;
  - 2) review and approve the report of the Group's operations and consolidated financial statements, if the Company is committed to the preparation,
  - 3) adoption of a resolution on distribution of profit or covering of loss,
  - 4) to provide members of the Company in respect of the performance of their duties,
  - 5) appointing and dismissing members of the Board and determining the number of members of the Supervisory Board,
  - 6) determining the remuneration of the members of the Supervisory Board,
  - 7) a change in the Articles of Association of the Company,
  - 8) transformation or merger of the Company with another company,

- 9) provision for damages caused by management or supervision,
  - 10) The sale or lease of an enterprise or its organized part and the establishment of a limited property right,
  - 11) issue of convertible bonds or bonds with pre-emptive rights and subscription warrants referred to in Art. 453 § 2,
  - 12) acquisition of own shares in the case referred to in Art. 362 § 1 point 2 of the Commercial Companies Code and authorized to acquire them in the case referred to in Art. 362 § 1 item 8 of the Code of Commercial Companies,
  - 13) dissolution and liquidation of the Company,
  - 14) creating, removing and setting the use of funds,
  - 15) other matters which, in accordance with the provisions of this Constitution or the provisions of the Commercial Companies Code are within the competence of the General Meeting.
2. Purchase and sale of real property, perpetual usufruct or share in the property without the approval of the General Assembly. In this case, requires the approval of the Supervisory Board in accordance with § 13 paragraph 2 point k).
  3. The conclusion of the underwriting agreement or service referred to in Art. 433 § 3 of the Commercial Companies Code does not require a resolution of the General Meeting. In this case, requires the approval of the Supervisory Board in accordance with § 13 paragraph 2 item 1).

#### § 19

Change of business of the Company shall not redeem shares held by shareholders who do not accept the change, provided that the resolution is adopted by a majority of 2/3 (two thirds) of the votes in the presence of shareholders representing at least half of the share capital of the Company.

#### § 20

1. The financial year is the calendar year.
2. The first financial year of the Company ends on 31 December 1991.

#### § 21

1. The Company shall establish the following capitals within the equity capital:
  - 1) the share capital,
  - 2) the supplementary capital,
  - 3) other capitals provided for in legal regulations.
2. The supplementary capital shall be established to cover balance-sheet losses of the Company. Annual write-downs for the supplementary capital shall be done in the amount of at least 8% (eight percent) of the annual net profit until the supplementary capital reaches the value amounting to 1/3 of the share capital.
3. The Company may establish other capitals (including reserve capitals or special purpose funds) in accordance with a resolution of the General Meeting of Shareholders, to cover individual expenses or losses.

#### § 22

1. The Management Board of the Company shall prepare the annual financial statement in accordance with generally applicable regulations and present it to the Supervisory Board of the Company. The Management Board of the Company shall prepare the written report of Company operation in this period and submit it to the Supervisory Board, the report being verified with Polish law and accounting principles by expert auditors of an independent accounting company selected by the Supervisory Board.
2. Deleted.

#### § 23

1. The net profit of the Company may be appropriate for in particular:
  - 1) write-downs for the supplementary capital,
  - 2) dividends for shareholders,
  - 3) write-downs to supply reserve capitals established in the Company,
  - 4) other purposes determined in a resolution of the General Meeting of Shareholders.
2. The dividend date and the dividend payout term shall be determined by the General Meeting of Shareholders.
3. The Management Board of the Company may, with consent of the Supervisory Board, payout advances for dividends to shareholders.

#### § 24

The Company shall publish its announcements in Monitor Sądowy i Gospodarczy.