

Current Report 17/ 2012

Dated: 2012 -06-26

Subject: : Establishment of a single text of the Articles of Association of the Company.

Content of report:

The Management Board of ZETKAMA S.A. hereby announces that on 26 June 2012, the Supervisory Board, acting pursuant to § 13 paragraph. 2 pts. 14 of the Articles of Association of the Company, has established a single text of the Articles of Association of the Company. The consolidated text of the Articles of Association, annexed to this report was drawn up taking into account the changes made by the Ordinary General Meeting on 26 June 2012.

Legal basis:

art. 56 of the Offering Act

ZETKAMA SPÓŁKA AKCYJNA,  
with its registered seat in Ścinawka Średnia  
ARTICLES OF ASSOCIATION  
of ZETKAMA Spółka Akcyjna  
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.

§ 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 joint term of office of Management Board Members shall be five years.
4. Management Board Members shall be dismissed by the Supervisory Board.

§ 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.

§ 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.

#### § 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.

#### § 14

1. The General Meeting of Shareholders may be convened as ordinary or extraordinary. The General Shareholders Meeting shall be 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.

#### § 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. 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.

§ 19

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

§ 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.

§ 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.