

**ARTICLES OF ASSOCIATION OF SANOK RUBBER COMPANY SPÓŁKA AKCYJNA**  
(consolidated text annexed to the resolution of the Supervisory Board of September 6, 2019)

**I. GENERAL PROVISIONS**

**§ 1**

The business name of the company shall be SANOK RUBBER COMPANY SPÓŁKA AKCYJNA.

**§ 2**

The Company shall have the right to use the abbreviated name of SANOK RC S.A.

**§ 3**

The registered office of the Company shall be in Sanok.

**§ 4**

1. The Company shall operate in the Republic of Poland and abroad.
2. The Company shall have the right to establish branches, representative offices, and divisions, as well as other organizational entities, both domestically and abroad.
3. The Company shall have the right to be a shareholder in other companies, both domestic and foreign.
4. The Company shall have the right to establish and participate in any and all economic entities and organizations operating in the Republic of Poland and abroad, provided that this is in accordance with legal regulations.

**§ 5**

The Company is established for an unlimited period of time.

**§ 6**

1. The Company is established by the State Treasury.
2. The Company is formed as a result of transformation of a state-owned enterprise that operated under the name of Sanockie Zakłady Przemysłu Gumowego "STOMIL" of Sanok.

**II. SCOPE OF THE COMPANY'S OPERATIONS**

**§ 7**

1. The Company's operations shall involve:
  - 1) Manufacture of other rubber products (PKD 22.19.Z);
  - 2) Manufacture of other plastic products (PKD 22.29.Z);
  - 3) Treatment and coating of metals (PKD 25.61.Z);
  - 4) Manufacture of plastic plates, sheets, tubes and profiles (PKD 22.21.Z);
  - 5) Manufacture of plastic packaging goods (PKD 22.22.Z);
  - 6) Manufacture of builders' ware of plastic (PKD 22.23.Z);
  - 7) Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres (PKD 22.11.Z);

- 8) Machining (PKD 25.62.Z);
- 9) Manufacture of tools (PKD 25.73.Z);
- 10) Manufacture of steel containers (PKD 25.91.Z);
- 11) Manufacture of wire products, chain and springs (PKD 25.93.Z);
- 12) Manufacture of other fabricated metal products n.e.c. (PKD 25.99.Z);
- 13) Manufacture of other electronic and electric wires and cables (PKD 27.32.Z);
- 14) Manufacture of bearings, gears, gearing and driving elements (PKD 28.15.Z);
- 15) Manufacture of metal forming machinery (PKD 28.41.Z);
- 16) Manufacture of other machine tools (PKD 28.49.Z);
- 17) Manufacture of plastics and rubber machinery (PKD 28.96.Z);
- 18) Repair and maintenance of fabricated metal products (PKD 33.11.Z);
- 19) Repair and maintenance of machinery (PKD 33.12.Z);
- 20) Repair and maintenance of other equipment (PKD 33.19.Z);
- 21) Installation of industrial machinery and equipment (PKD 33.20.Z);
- 22) Production of electricity (PKD 35.11.Z);
- 23) Transmission of electricity (PKD 35.12.Z);
- 24) Distribution of electricity (PKD 35.13.Z);
- 25) Trade of electricity (PKD 35.14.Z);
- 26) Steam and air conditioning supply (PKD 35.30.Z);
- 27) Water collection, treatment and supply (PKD 36.00.Z);
- 28) Sewerage (PKD 37.00.Z);
- 29) Collection of hazardous waste (PKD 38.12.Z);
- 30) Dismantling of wrecks (PKD 38.31.Z);
- 31) Plumbing, heat, gas and air-conditioning installation (PKD 43.22.Z);
- 32) Sale of cars and light motor vehicles (PKD 45.11.Z);
- 33) Sale of other motor vehicles, except for motorcycles (PKD 45.19.Z);
- 34) Wholesale of chemical products (PKD 46.75.Z);
- 35) Wholesale of other intermediate products (PKD 46.76.Z);
- 36) Wholesale of waste and scrap (PKD 46.77.Z);
- 37) Other retail sale of new goods in specialised stores (PKD 47.78.Z);
- 38) Other retail sale not in stores, stalls or markets (PKD 47.99.Z);
- 39) Freight transport by road (PKD 49.41.Z);
- 40) Computer programming activities (PKD 62.01.Z);
- 41) Computer consultancy activities (PKD 62.02.Z);
- 42) Computer facilities management activities (PKD 62.03.Z);
- 43) Other information technology and computer service activities (PKD 62.09.Z);

- 44) Data processing, hosting and related activities (PKD 63.11.Z);
  - 45) Other monetary intermediation (PKD 64.19.Z);
  - 46) Other financial service activities, except insurance and pension funding n.e.c. (PKD 64.99.Z);
  - 47) Buying and selling of own real estate (PKD 68.10.Z);
  - 48) Renting and operating of own or leased real estate (PKD 68.20.Z);
  - 49) Accounting, bookkeeping and auditing activities; tax consultancy (PKD 69.20.Z);
  - 50) Public relations and communication activities (PKD 70.21.Z);
  - 51) Business and other management consultancy activities (PKD70.22.Z);
  - 52) Engineering activities and related technical consultancy (PKD 71.12.Z);
  - 53) Technical testing and analysis (PKD 71.20.B);
  - 54) Other research and experimental development on natural sciences and engineering (PKD 72.19.Z);
  - 55) Market research and public opinion polling (PKD 73.20.Z);
  - 56) Other professional, scientific and technical activities n.e.c (PKD 74.90.Z);
  - 57) Renting and leasing of cars and light motor vehicles (PKD 77.11.Z);
  - 58) Renting and leasing of other motor vehicles, except for motorcycles (PKD 77.12.Z);
  - 59) Renting and leasing of office machinery and equipment (including computers) (PKD 77.33.Z);
  - 60) Renting and leasing of other machinery, equipment and tangible goods n.e.c. (PKD 77.39.Z);
  - 61) Leasing of intellectual property and similar products, except copyrighted works (PKD 77.40.Z);
  - 62) Activities of employment placement agencies (PKD 78.10.Z);
  - 63) Temporary employment agency activities (PKD 78.20.Z);
  - 64) Other human resources provision (PKD 78.30.Z);
  - 65) Repair and maintenance of computers and peripheral equipment (PKD 95.11.Z);
  - 66) Activities of other transport agencies (PKD 52.29.C).
2. Operations requiring a licence or a permission shall be commenced by the Company once the relevant licences and permissions have been obtained.

### **III. SHARE CAPITAL**

#### **§ 8**

1. The Company's share capital shall be PLN 5,376,384.40 (five million three hundred and seventy-six thousand three hundred and eighty-four and 40/100) and shall be divided into 26,881,922 (twenty-six million eight hundred and eighty-one thousand nine hundred and twenty-two) ordinary bearer shares.
2. The nominal value of a single share shall be PLN 0.20 (zero point twenty).
3. The share capital may be increased by means of a resolution of the General Meeting. Increasing the share capital shall require amending the Articles of Association and shall be carried out by means of issuing new shares or increasing the nominal value of the existing shares.
4. With the exception of the shares taken up in connection with the transformation of the state-owned enterprise that operated under the name of Sanockie Zakłady Przemysłu Gumowego STOMIL of Sanok, the

remaining shares have been fully paid for in cash.

5. Each share shall carry one vote at the General Meeting.

6. The nominal value of the conditional increase of the Company's share capital shall not exceed PLN 215,054.40 (two hundred and fifteen thousand and fifty-four and 40/100) and shall be divided into not more than 1,075,272 (one million and seventy-five thousand two hundred and seventy-two) ordinary bearer shares issued in the following series:

1) Series A1 ordinary bearer shares in the amount of not more than 268,818 (two hundred and sixty-eight thousand eight hundred and eighteen),

2) Series B1 ordinary bearer shares in the amount of the not more than 322,584 (three hundred and twenty-two thousand five hundred and eighty-four),

3) Series C1 ordinary bearer shares in the amount of not more than 376,350 (three hundred and seventy-six thousand three hundred and fifty),

4) Series D1 ordinary bearer shares in the amount of not more than 430,116 (four hundred and thirty thousand one hundred and sixteen),

7. The purpose of the conditional increase of the share capital shall be:

1) To grant the right to take up series A1 shares to holders of A1 subscription warrants issued by the Company pursuant to Resolution No. 16 of the Ordinary General Meeting of the Company of 23 June 2014;

2) To grant the right to take up series B1 shares to holders of B1 subscription warrants issued by the Company pursuant to Resolution No. 16 of the Ordinary General Meeting of the Company of 23 June 2014;

3) To grant the right to take up series C1 shares to holders of C1 subscription warrants issued by the Company pursuant to Resolution No. 16 of the Ordinary General Meeting of the Company of 23 June 2014;

4) To grant the right to take up series D1 shares to holders of D1 subscription warrants issued by the Company pursuant to Resolution No. 16 of the Ordinary General Meeting of the Company of 23 June 2014.

8. The holders of A1 subscription warrants issued by the Company pursuant to Resolution No. 16 of the Ordinary General Meeting of the Company of 23 June 2014 shall be entitled to take up series A1 shares.

9. The holders of B1 subscription warrants issued by the Company pursuant to Resolution No. 16 of the Ordinary General Meeting of the Company of 23 June 2014 shall be entitled to take up series B1 shares.

10. The holders of C1 subscription warrants issued by the Company pursuant to Resolution No. 16 of the Ordinary General Meeting of the Company of 23 June 2014 shall be entitled to take up series C1 shares.

11. The holders of D1 subscription warrants issued by the Company pursuant to Resolution No. 16 of the Ordinary General Meeting of the Company of 23 June 2014 shall be entitled to take up series D1 shares.

12. The holders of A1 subscription warrants shall be entitled to exercise the right to take up series A1 shares by 31 December 2022.

13. The holders of B1 subscription warrants shall be entitled to exercise the right to take up series B1 shares by 31 December 2022.

14. The holders of C1 subscription warrants shall be entitled to exercise the right to take up series C1 shares by 31 December 2022.

15. The holders of D1 subscription warrants shall be entitled to exercise the right to take up series D1 shares by 31 December 2022.

16. Series A1 shares shall be issued to the holders of A1 subscription warrants against a cash contribution.

17. Series B1 shares shall be issued to the holders of B1 subscription warrants against a cash contribution.

18. Series C1 shares shall be issued to the holders of C1 subscription warrants against a cash contribution.

19. Series D1 shares shall be issued to the holders of D1 subscription warrants against a cash contribution.

## § 9

The shareholders shall not have the right to demand that bearer shares be converted to registered shares

in the period in which these shares remain dematerialized.

#### **§ 10**

1. The Company's shares may be redeemed upon the shareholder's consent, by way of their acquisition by the Company.
2. Redemption of shares shall require a decrease of the Company's share capital. Shares shall be redeemed against consideration.

### **IV. THE COMPANY'S GOVERNING BODIES**

#### **§ 11**

The Company's governing bodies shall be:

- 1) the General Meeting;
- 2) the Supervisory Board;
- 3) the Management Board.

### **V. THE GENERAL MEETING**

#### **§ 12**

1. An Ordinary General Meeting shall be convened not later than within six months from the end of each business year.
2. Extraordinary General Meetings shall be convened by the Management Board, on its own initiative or at the written request of the Supervisory Board or a shareholder or shareholders holding at least one twentieth of the share capital. The request may be submitted in an electronic form (via e-mail, providing information identifying the requesting party).
3. The Supervisory Board shall convene:
  - 1) An Ordinary General Meeting if the Management Board failed to convene an Ordinary General Meeting by the required date;
  - 2) An Extraordinary Shareholders Meeting if the Supervisory Board deems it necessary;
  - 3) An Extraordinary General Meeting if the Management Board failed to convene an Extraordinary General Meeting at the request of a shareholder or shareholders entitled to do so or the Supervisory Board, within fourteen days from the submission of the relevant request.
4. Subject to the mandatory provisions of law, a General Meeting shall be convened by means of an announcement published, at least twenty-six days prior to the date of the General Meeting, on the Company's website and in the manner specified for the provision of ongoing information, as per the relevant legal regulations.

#### **§ 13**

1. The Supervisory Board and the shareholder or shareholders representing at least one twentieth of the share capital shall have the right to request that particular matters be included in the agenda of a General Meeting. The request should include a justification and a draft of the resolution concerning the proposed item of the agenda. The request shall be made to the Management Board, in writing or in an electronic form (via e-mail, providing information identifying the requesting party).
2. The request referred to in § 13.1, above, shall be made to the Management Board not later than twenty-one days prior to the announced date of the General Meeting. Requests made after this date by

a shareholder representing at least one twentieth of the share capital shall be deemed to be a request for convening another General Meeting, unless the requesting shareholder withdraws his request.

3. The Management Board shall immediately, not later, however, than eighteen days prior to the announced date of the General Meeting, announce changes to the agenda made on its own initiative or at the request of the Supervisory Board, a shareholder, or shareholders. The announcement shall be made in a manner appropriate for convening the General Meeting.

#### **§ 14**

1. During a General Meeting, each of the shareholders shall have the right to put forward, until the Chairman orders a vote, drafts of resolutions concerning the matters included in the agenda.
2. Prior to the General Meeting, the shareholder or shareholders of the Company representing at least one twentieth of the share capital may submit to the Company, in writing or in an electronic form, draft resolutions concerning the matters included in the agenda of the General Meeting or matters that are to be introduced to the agenda. The Company shall publish draft resolutions on its website without delay.

#### **§ 15**

Any and all matters included by the Management Board in the agenda of a General Meeting shall be first presented to the Supervisory Board for examining and issuing an opinion. The opinions of the Supervisory Board shall be presented to the General Meeting not later than prior to the opening of the Meeting, together with the other documents provided to the shareholders participating in the General Meeting, and shall be published on the Company's website.

#### **§ 16**

The General Meetings shall be held as per the decision of the entity convening the General Meeting, in Sanok or in Warsaw.

#### **§ 17**

Subject to the mandatory provisions of law, the General Meeting may adopt resolutions irrespective of the number of the shareholders present or the shares represented.

#### **§ 18**

1. The majority of three quarters of the votes cast shall be required for the resolutions of the General Meeting concerning:
  - 1) Amending the Articles of Association;
  - 2) Decreasing the share capital;
  - 3) Releasing the shares carrying the right to vote or participate in dividend or division of assets (in the event of the Company being liquidated).
2. The majority of two thirds of the votes cast shall be required for the resolutions of the General Meeting concerning a merger of the Company by transferring all of its assets to another company or a merger through the incorporation of another company.
3. A resolution concerning dematerialization of the Company's shares shall be taken with a majority of four fifths of the votes cast in the presence of shareholders representing at least 50% of the share capital.
4. The resolutions of the General Meeting concerning matters other than those specified in § 18.1, 18.2, and 18.3, above, shall be adopted with an absolute majority of votes, unless the Articles of Association or statutory regulations provide otherwise.

## § 19

1. Voting at the General Meeting shall be done by open ballot. Secret ballot shall be ordered when appointing or voting the requests for removal of the members of the Company's bodies, in matters of their personal liability towards the Company, and in personal matters or, with the exception of the cases in which open voting is required under statutory regulations, at the request of even a single shareholder present or represented at the General Meeting. A secret ballot shall not be ordered if statutory regulations provide for a roll-call vote.
2. The General Meeting shall be opened by the Chairman of the Supervisory Board or, should the Chairman be absent or idle, by the Vice Chairman (Deputy Chairman) of the Supervisory Board. Subsequently, the Chairman of the Meeting shall be appointed from among those entitled to vote. Should both the Chairman and the Vice Chairman (Deputy Chairman) of the Supervisory Board be absent, the Meeting shall be opened by the President of the Management Board or the person appointed by the Management Board.
3. The competences of the General Meeting shall include, in addition to other matters reserved for it in accordance with statutory regulations or the Articles of Association, adopting resolutions in the following matters:
  - 1) Examining and approving the Management Board's report on the Company's operations and the financial statements for the previous financial year and acknowledging the fulfilment of duties by the members of the Company's bodies;
  - 2) Distribution of profit and coverage of loss;
  - 3) Decisions concerning claims for redress of the damage done when incorporating the Company or exercising management or supervision;
  - 4) Disposing of or leasing the enterprise or an organized portion thereof and establishing limited property rights over them;
  - 5) Redemption of shares;
  - 6) Issue of bonds;
  - 7) Issue of warrants;
  - 8) Creating supplementary capitals and deciding on their use or the manner of their use, except for those supplementary capitals the obligation to create which and the purposes of which are specified in the applicable legal regulations;
  - 9) Dividing the Company, merging the Company with another company, liquidating or winding up the Company;
  - 10) Adopting and removing from office the Members of the Supervisory Board, including the Chairman of the Supervisory Board and the Vice Chairman (Deputy Chairman) of the Supervisory Board;
  - 11) Determining the principles of remunerating the Members of the Supervisory Board.
4. Acquisition or disposition of real property, perpetual usufruct or a share in real property or perpetual usufruct by the Company shall not require the resolution of the General Meeting referred to in Article 393.4 of the Commercial Companies Code.

## VI. SUPERVISORY BOARD

### § 20

1. Subject to the provisions of § 20.4, below, the Supervisory Board shall be composed of between 5 and 7 members.

2. The Members of the Supervisory Board shall be appointed for a joint 3-year (three-year) term of office.
3. At least one of the Members of the Supervisory Board shall have qualifications in accounting or financial revision, as defined in and in accordance with the requirements of the Act of 7 May 2009 on Statutory Auditors and Their Professional Organisation, the Entities Authorised to Review Financial Statements, and Public Supervision.
4. If appointed by means of voting in separate groups, the Supervisory Board shall be composed of five Members.
5. The Members of the Supervisory Board, including the Chairman and the Vice Chairman (Deputy Chairman) of the Supervisory Board shall be appointed and removed from office by the General Meeting.
6. The request for appointing a Member of the Supervisory Board shall be made to the Management Board, and if the request is made at the General Meeting convened to appoint the Supervisory Board, the request, to be valid, should be made to the Chairman of the General Meeting immediately once the Chairman has been appointed, not later, however, than prior to the vote on the appointment of the Members of the Management Board. Each of the requests shall be voted separately. The request for appointing a Member of the Supervisory Board shall be accompanied by a representation of the candidate in which he agrees to become a Member of the Supervisory Board, his CV, and his representation on no criminal record in terms of criminal offences that, in accordance with the applicable regulations, exclude the possibility of serving as a Member of a Supervisory Board.
7. If, as a result of expiration of the mandate of a Member of the Supervisory Board, the number of the Members of the Supervisory Board is lower than the minimum number specified in § 20.1, above, the Management Board shall immediately convene a General Meeting in order to supplement the Supervisory Board. If the Supervisory Board is appointed by means of voting in groups, a supplementary vote shall not be held, but all of the Members of a new Supervisory Board shall be appointed.

## § 21

1. The Chairman of the Supervisory Board, and in his absence, the Vice Chairman (Deputy Chairman) of the Supervisory Board, shall convene the meetings of the Supervisory Board by means of a written invitation sent not later than seven days prior to the planned date of the meeting and shall chair such meetings.
2. The time limit specified in § 21.1, above, may, in justified cases, be shortened by the Chairman of the Supervisory Board.
3. The subject of the first meeting of the Supervisory Board shall not be the adoption of resolutions in the matters referred to in § 25.2.5 of the Articles of Association, except for resolutions concerning the appointment of a Member or Members of the Management Board in the event where the Company's Management Board is composed of a number of Members smaller than required under the Articles of Association. The next meeting of the Supervisory Board shall not be held earlier than seven days from the first meeting of the Supervisory Board; until then, the Supervisory Board may adopt resolutions following the procedure specified in § 24.2.4 of the Articles of Association, subject to the limitations specified in these provisions.

## § 22

The Members of the Supervisory Board shall perform their duties personally.

## § 23

1. The Supervisory Board shall meet as needed, at least once a quarter.



2. The Management Board or two Members of the Supervisory Board shall have the right to request the convening of a meeting of the Supervisory Board, specifying the proposed agenda. The Chairman of the Supervisory Board, and in his absence, the Vice Chairman (Deputy Chairman) of the Supervisory Board, shall convene the meeting on a date not later than two weeks from receiving the request. If the Chairman of the Supervisory Board fails to convene a meeting of the Supervisory Board in accordance with this § 23.2, the requesting party shall have the right to convene the meeting on their own, specifying the date, place, and proposed agenda. The subject of the meeting of the Supervisory Board shall be the affairs specified in the request. The meeting shall be chaired by the Member of the Supervisory Board specified by the Members of the Supervisory Board who requested the convening of the meeting of the Supervisory Board, and if the request was made by the Management Board, then by the Member of the Supervisory Board specified by the Management Board.

#### § 24

1. Subject to the provisions of §§ 24.2, 24.4, and 25.5, below, for the resolutions of the Supervisory Board to be valid, all of its Members should be invited in writing and at least 50% of the Members should be present at the meeting, including the Chairman of the Supervisory Board and the Vice Chairman (Deputy Chairman) of the Supervisory Board;
2. Subject to the provisions of Article 388 § 4 of the Commercial Companies Code, the resolutions of the Supervisory Board may be adopted using means of direct communication over a distance, provided that all of the Members of the Supervisory Board have been informed about the contents of the draft resolution.
3. The resolutions of the Supervisory Board adopted following the procedure specified in § 24.2 shall be presented during the next meeting of the Supervisory Board, together with the result of the vote.
4. Subject to the provisions of Article 388 § 4 of the Commercial Companies Code, a resolution of the Supervisory Board may be adopted following the written procedure, provided that all of the Members of the Supervisory Board have been informed about the contents of the draft resolution. Casting a vote shall take place by signing the resolution document (in the event of voting for its adoption) or placing on the resolution document a representation on voting against its adoption or on abstaining from voting.
5. Subject to the provisions of Article 388 § 4 of the Commercial Companies Code, the Members of the Supervisory Board may participate in adopting the Board's resolutions by voting in writing via another Member of the Supervisory Board. Voting in writing cannot concern the matters introduced to the agenda during the meeting of the Supervisory Board.
6. The written procedure referred to in § 24.4 may be used by the Supervisory Board to adopt resolutions in an electronic form using means of communication over a distance, provided that a secure electronic signature verified with a valid qualified certificate is used. In such case, the requirements specified in § 24.4 shall apply.
7. Subject to the provisions of § 25.10, below, the meetings of the Supervisory Board may take place using means of direct communication over a distance, and the resolutions adopted following this procedure shall be valid if all Members of the Supervisory Board have been informed about the contents of the draft resolutions.
8. The resolutions of the Supervisory Board shall be adopted with a simple majority of votes. In the event of a split vote, the vote of the Chairman of the Supervisory Board shall decide.
9. The resolutions of the Supervisory Board shall be voted in open ballot, except for the resolutions concerning the matters referred to in §§ 25.2, 25.5, and 25.7, for which secret ballot shall be obligatory.

10. The Supervisory Board shall adopt the Bylaws of the Supervisory Board that shall specify its organisation and the manner of carrying out activities.
11. The Supervisory Board may delegate its Members to independently carry out certain supervisory activities the scope of which is specified in the resolution of the Supervisory Board regarding delegating a Member of the Supervisory Board, and may appoint, for this purpose, temporary commissions from among the Members of the Supervisory Board. The scope of the activities of a given commission shall be specified in the resolution of the Supervisory Board regarding the appointment this commission. The Members of the Supervisory Board delegated to independently carry out certain supervisory activities shall submit a report on these activities to the Supervisory Board during the next meeting of the Supervisory Board, having carried out any such activities.

## § 25

1. The Supervisory Board shall exercise permanent supervision over the operations of the Company in all areas of its business.
2. The competences of the Supervisory Board shall include, in addition to other matters reserved for it in accordance with statutory regulations or the Articles of Association, the following:
  - 1) Evaluation of the Management Board's report on the Company's operations and the financial statements for the previous financial year in terms of their compliance with the books, documents, and the actual state of affairs;
  - 2) Evaluation of the Management Board's requests concerning the distribution of profit or the coverage of loss;
  - 3) Submission to the General Meeting of an annual written report on the evaluations referred to in § 25.1 and 25.2, above;
  - 4) Concluding, terminating, and amending agreements with the Members of the Management Board and specifying the terms and conditions of remunerating them and the value of the remuneration;
  - 5) Appointing, suspending, and removing from office the President of the Management Board, the Members of the Management Board, or the entire Management Board, as well as deciding on cancelling the suspension;
  - 6) Accepting requests from the Management Board in terms of acquiring and taking up shares of companies, as well as the participation of the Company in other companies – the Supervisory Board shall specify up to what amount, on what terms and conditions, and following what procedure the Management Board may carry out the above activities without an obligation to obtain approval from the Supervisory Board;
  - 7) Delegating the Members of the Supervisory Board to temporarily perform the function of the Members of the Management Board that were removed from office, resigned, or are unable to perform their functions for other reasons;
  - 8) Selecting the entity authorized to review the financial statements that will be entrusted with reviewing the Company's annual financial statements;
  - 9) Specifying the consolidated text of the Articles of Association if amendments are made;
  - 10) Expressing consent to acquiring and disposing of real property, perpetual usufruct, or shares in real property or perpetual usufruct;
  - 11) Expressing consent to payment of advances towards the expected dividend;
  - 12) Approving the long-term Company development plans and annual financial plans produced by the Management Board;

- 13) Approving the annual and the quarterly budget;
- 14) Approving the expenses not included in the approved budget and exceeding the ordinary course of the Company's business, with a value in excess of USD 100,000 (one hundred thousand) or an equivalent thereof as per the average USD exchange rate published by the National Bank of Poland on the day of the Management Board presenting the relevant request to the Supervisory Board;
- 15) Expressing consent to selling the Company's assets worth in excess of 10% of the net value of the tangible assets, except for those that constitute inventory that is marketable in the course of ordinary business;
- 16) Expressing consent to taking out long-term loans and borrowings not provided for in the budget, other than trade credits taken out in the course of the Company's ordinary business, as well as granting sureties and guarantees not provided for in the budget and encumbering assets to an extent not provided for in the budget;
- 17) Expressing consent to employing advisors and other externals (except for statutory auditors) in the capacity of consultants, lawyers, or agents, if the annual costs of engaging such persons were to exceed USD 50,000 (fifty thousand) or an equivalent thereof as per the average USD exchange rate published by the National Bank of Poland on the day of the Management Board presenting the relevant request to the Supervisory Board;
- 18) Expressing consent to contracting obligations not provided for in the budget and exceeding the ordinary course of the Company's business, the value of which exceeds USD 100,000 (one hundred thousand) or an equivalent thereof as per the average USD exchange rate published by the National Bank of Poland on the day of the Management Board presenting the relevant request to the Supervisory Board;
- 19) Approving the Bylaws of the Management Board;
- 20) Examining and issuing opinions on the matters introduced by the Management Board to the agenda of the General Meeting.

## **VII. THE MANAGEMENT BOARD**

### **§ 26**

1. The Management Board shall be composed of between three and seven members, including the President of the Management Board.
2. The Supervisory Board shall appoint the President of the Management Board and, at the request of the President of the Management Board, the other Members of the Management Board.
3. The Members of the Management Board, including the President of the Management Board, shall be appointed for a joint three-year term of office.

### **§ 27**

1. The Management Board shall exercise any and all rights in terms of managing the Company, except for the rights reserved for the other bodies of the Company under statutory regulations or the Articles of Association. The President of the Management Board shall manage the work of the Management Board. The responsibilities of the particular Members of the Management Board shall be specified by the President of the Management Board.
2. The resolutions of the Management Board shall be adopted with a simple majority of votes. In the event of a split vote, the vote of the President of the Management Board shall decide.

3. The Management Board shall make decisions in the form of resolutions adopted in the presence of at least 50% of the Members of the Management Board. Resolutions shall be adopted exclusively in the presence of the President of the Management Board or a person appointed to manage the work of the Management Board in the absence of the President of the Management Board.

4. Subject to the provisions of § 27.1, below, the Management Board may adopt resolutions following the written procedure if the President of the Management Board consents thereto. A resolution adopted following this procedure shall be valid if all of the Members of the Management Board received a draft resolution and a justification thereof. It shall be deemed that a resolution is adopted on the day of the absolute majority of votes being cast in favour of the resolution.
5. The written procedure referred to in § 27.4, above, may also be used by the Management Board to adopt resolutions in an electronic form using means of communication over a distance, including with the use of a secure electronic signature verified with a valid qualified certificate. In such case, the requirements specified in § 27.4, above, shall apply.
6. Subject to the provisions of § 27.7, below, the meetings of the Management Board may take place using means of direct communication over a distance, and the resolutions adopted following this procedure shall be valid if all Members of the Management Board have been informed about the contents of the draft resolutions.
7. The procedures of work of the Management Board and the matters that may be entrusted to the particular Members of the Management Board, as well as the matters that require a resolution of the Management Board and the matters with respect to which resolutions of the Management Board cannot be adopted following the procedure specified in § 27.4 or 27.6, above, shall be specified in detail in the Bylaws of the Management Board. The Bylaws of the Management Board shall be adopted by the Management Board and approved by the Supervisory Board.

## § 28

1. Two Members of the Management Board acting jointly or one Member of the Management Board acting jointly with a holder of procuration shall have the right to make declarations of will and sign on the behalf of the Company.
2. Attorneys-in-fact may be appointed to carry out, independently or jointly, activities of a given type or particular activities, to the extent of their power of attorney.

## § 29

1. The conclusion, amendment, or termination of an employment contract or another agreement between the Company and a Member of the Management Board and the specification of the principles of remunerating and the amount of remuneration of a Member of the Management Board shall require a resolution of the Supervisory Board. In such agreements, the Company shall be represented by the Supervisory Board, on behalf of which, under an authorisation granted in each individual case in a resolution, the Chairman or the Vice Chairman (Deputy Chairman) of the Supervisory Board shall sign or make a declaration of will in another manner.
2. The provisions of § 29.1 shall not exclude the possibility of the General Meeting appoint an attorney-in-fact to carry out the activities specified in the power of attorney.

## **VIII. THE COMPANY'S ORGANISATION**

### **§ 30**

The internal organisation of the Company's enterprise shall be specified in the Bylaws adopted by the Management Board.

## **MANAGEMENT OF CORPORATE AFFAIRS**

### **§ 31**

1. The Company's financial year shall be the calendar year.
2. Subject to the mandatory provisions of law, the Company shall create at least the following capitals:
  - 1) The share capital;
  - 2) The supplementary capital.

### **§ 32**

The supplementary capital shall be created to cover losses and for other purposes, in accordance with the legal regulations. At least 8% of the profit for a given financial year shall be transferred to the supplementary capital until the value of the supplementary capital reaches at least one third of the share capital.

### **§ 33**

Within three months from the end of a financial year, the Management Board shall produce and present to the Supervisory Board the financial statements for this financial year and a written report on the Company's operations in this period.

### **§ 34**

1. The Company's profit may be assigned for other purposes, as specified in a resolution of the General Meeting, including:
  - 1) Dividend for shareholders;
  - 2) Supplementary capital;
  - 3) Reserve capitals;
  - 4) Other purposes specified in a resolution of the General Meeting.
2. Subject to the mandatory provisions of law, the day as of which the list of shareholders entitled to the dividend for a given financial year is produced (dividend date) and the date of payment of dividend shall be specified by the General Meeting. The dividend date shall be set on the day of adopting the resolution on the distribution of profit or on the day falling not later than three months from the day of adoption of this resolution.
3. The resolution of the Ordinary General Meeting providing for the payment of dividend after more than fifteen days from the dividend day should contain a detailed justification in this respect.
4. The Management Board shall be entitled to pay advance dividends to shareholders at the end of the financial year, provided that the Company has sufficient funds for such disbursements. The payment of the advances shall require the consent of the Supervisory Board.