

ARTICLES OF ASSOCIATION

(consolidated text)

I. GENERAL PROVISIONS

§1.

1. The name of the Company is "Konsorcjum Stali" Spółka Akcyjna.
2. The Company may also use its abbreviated name "Konsorcjum Stali" S.A. and its distinguishing graphic sign.

§2.

1. The registered office of the Company is in Warsaw.
2. The Company was established as a result of transforming the Company "Konsorcjum Stali" Spółka z ograniczoną odpowiedzialnością into a public limited company and all the partners of the company under transformation who submitted statements of participating in the transformed Company are its founders.

§3.

1. The Company conducts its activity on the territory of the Republic of Poland and abroad.
2. The Company may establish and run its divisions, plants, branches, business representations and other organisational entities as well as participate in other companies or undertakings on the territory of the Republic of Poland and abroad.
3. The existence of the company shall be unlimited.

II. OBJECT OF THE COMPANY

§4.

1. According to the Polish Classification of Economic Activities, the object of the Company is:
 - 1) Manufacture of metal (24)
 - 2) Manufacture of fabricated metal, except machinery and equipment (25)
 - 3) Manufacture of machinery and equipment, n.e.c. (28)
 - 4) Manufacture of bodies for motor vehicles; manufacture of trailers and semi-trailers (29.20.Z)
 - 5) Manufacture of ships and boats (30.1)
 - 6) Repair and maintenance of fabricated metal products (33.11.Z)
 - 7) Repair and maintenance of machinery (33.12.Z)
 - 8) Repair and maintenance of ships and boats (33.15.Z)
 - 9) Repair and maintenance of other transport equipment (33.17.Z)
 - 10) Installation of industrial machinery and equipment (33.20.Z)
 - 11) Waste treatment and disposal (38.2)
 - 12) Materials recovery (38.3)
 - 13) Construction of buildings (41)
 - 14) Civil engineering (42)
 - 15) Specialised constructions activities (43)
 - 16) Other specialised wholesale (46.7)
 - 17) Non-specialised wholesale trade (46.90.Z);
 - 18) Other retail sale in non-specialised stores (47.19.Z)
 - 19) Retail sale of hardware, paints and glass in specialised stores (47.52.Z)
 - 20) Freight transport by road and removal services (49.4)
 - 21) Warehousing and storage (52.10)
 - 22) Cargo handling at other handling points (52.24.C)

- 23) Activity of holding companies (64.20.Z)
 - 24) Activity of trusts, funds and other similar financial entities (64.30.Z)
 - 25) Other financial service activities except insurance and pension funding (64.9)
 - 26) Security and commodity contracts brokerage (66.12.Z)
 - 27) Other activities auxiliary to financial services except insurance and pension funding (66.19.Z)
 - 28) Real estate activities (68)
 - 29) Accounting, bookkeeping and auditing activities; tax consultancy (69.20.Z)
 - 30) Activities of a Head Office and holdings except financial holdings (70.10.Z)
 - 31) Management consultancy activities (70.2)
 - 32) Engineering activities and related technical consultancy (71.12.Z)
 - 33) Other technical testing and analysis (71.20.B)
 - 34) Other research and experimental development on natural sciences and engineering (72.19.Z)
 - 35) Advertising (73.1)
 - 36) Specialised design activities (74.10.Z)
 - 37) Other professional, scientific and technical activities, n.e.c. (74.90.Z)
 - 38) Rental and leasing activities of motor vehicles except motorbikes (77.1)
 - 39) Rental and leasing of construction machinery and equipment (77.32.Z)
 - 40) Rental and leasing of other machinery, equipment and tangible goods (77.3)
 - 41) Leasing of intellectual property and similar products except copyrighted works (77.40.Z)
 - 42) Activities of collection agencies and credit bureaus (82.91.Z)
 - 43) Other business support services n.e.c. (82.99.Z)
 - 44) Educational support activities (85.60.Z)
2. Activities for which a permit, agreement or license is required shall be undertaken by the Company after such permit, agreement or license has been obtained.
 3. Any significant changes to the object of the Company may be made based on a relevant resolution of the Annual General Meeting taken by a majority of 2/3 (two thirds) of the votes provided that shareholders representing at least 50% of the Company's share capital are present at the meeting, without the necessity of buying out shares of these Shareholders who did not agree to change the object of the Company.

III. SHARE CAPITAL AND SHARES

§5.

1. The share capital of the Company amounts to PLN 5,897,419 (in words: five million eight hundred and ninety-seven thousand four hundred and nineteen Polish zloty) and is divided into 5,897,419 (in words: five million eight hundred and ninety-seven thousand four hundred and nineteen) shares with a nominal value of PLN 1 (one) each, including:
 - a. 3 000 000 (in words: three million) of bearer shares series A, numbered from 000 000 I to 3 000 000.
 - b. 230 041 (in words: two hundred thirty thousand and forty-one) bearer shares series B, numbered from 000001 -230041, and
 - c. 2 667 378 (in words: two million six hundred and sixty seven thousand three hundred and seventy-eight) bearer shares series C, numbered from 0000001 -2 667 378.
2. The A series shares had been paid in full before the Company was registered. Shares of series B and C had been paid in full before registering the increase in share capital, by issuing the shares of B series and shares of C series, respectively.

3. During the period of time, when the Company's shares are admitted to trading on a regulated market, the conversion of bearer shares into registered shares is not allowed.
4. The Company's share capital may be increased with a resolution of the General Meeting of Shareholders by issuing new shares or by increasing the nominal value of shares. The share capital may also be increased by conditionally increasing the share capital.
5. The Company may issue bonds convertible into shares and bonds with priority rights as well as subscription warrants.

IV. REDEMPTION OF SHARES

§ 6

1. The Company's shares may be redeemed upon a shareholder's consent, to whose shares the redemption refers, through their acquisition by the Company (voluntary redemption).
2. The redemption of the Company's shares is carried out by decreasing the Company's share capital.
3. Remuneration for redeemed shares shall be paid to a given shareholder within (30) thirty days of passing a resolution by the General Meeting of Shareholders on redeeming shares and decreasing the share capital.
4. The resolution of the General Meeting of Shareholders on redemption of shares shall define the method and terms of redeeming shares, in particular the amount and method of paying remuneration to which a shareholder is entitled for the redeemed shares, legal basis for redeeming the shares and the method of decreasing the Company's share capital.
5. If the remuneration for voluntarily redeemed shares is paid from the amount, which in accordance with article 348 §1 of the Commercial Companies Code may be subject to division, sections 6 and 7 shall apply.
6. The General Meeting of Shareholders passes a resolution in which it shall: (a) give its consent to the Management Board for the acquisition of the Company's own shares in order to redeem them; (b) grant, up to the limit stipulated in article 348 § 1 of the Commercial Companies Code, a certain amount of the Company's profit for the acquisition of the Company's own shares in order to redeem them; (c) define the maximum number and price of the Company's own shares, which are to be acquired to be redeemed; (d) define the maximum length of time within which the Management Board is authorised to acquire the Company's own shares to be redeemed.
7. After acquiring the Company's own shares to be redeemed, the Management Board immediately calls a General Meeting of Shareholders so it can pass a resolution on redeeming the shares and decrease the Company's share capital.

V. THE COMPANY'S AUTHORITIES

§ 7

The Company's authorities shall be:

- a) the Management Board,
- b) the Supervisory Board,
- c) the General Meeting of Shareholders.

A. THE MANAGEMENT BOARD

§ 8.

1. The Management Board shall consist of 1 (one) to 7 (seven) members.
2. The members of the Management Board are appointed for a joint term of office, which lasts 3 (years). The members of the Management Board may be appointed to another term of office.
3. The Supervisory Board shall determine the number of members of the Management Board and appoint the members of the Management Board, including the President of the Management Board, except for the first Management Board, the members of which have been appointed in the process of transforming a limited liability company into a public limited company.
- 3a. Candidates for members of the Management Board may be proposed by the Company's shareholders or the Supervisory Board only. The proposal shall contain the candidate's curriculum vitae and the reasoning for his or her selection. If the proposal is not submitted by a member of the Supervisory Board, the proposal shall be assisted by a

relevant document confirming that the person submitting the proposal is a shareholder in the Company. If the document stipulated in the previous sentence is not attached, the proposal shall not be valid.

4. The Supervisory Board may dismiss or suspend an individual or all members of the Management Board before the expiration of their term of office.
5. The act of revoking the members of the Management Board shall be without prejudice to their employment contact rights.
6. A member of the Management Board may be suspended in performance of his actions or dismissed only for important reasons, by virtue of a resolution passed by the Supervisory Board. The member of the Management Board may not be suspended in performance of his actions longer than 3 (three) months.
7. A member of the Board may not, if not permitted by the Supervisory Board, either run competitive activities or participate in a competitive company, as a partner in a private partnership, partnership or a member of authorities in a limited company or participate in any other legal entity as a member of its authorities. That ban refers as well to shares owned in a competitive limited company by the member of the Management Board if he has at least 10% of stocks or shares in this company or a right to appoint at least one member of its Management Board.
8. The Supervisory Board shall determine the remuneration for the members of the Management Board.

§9.

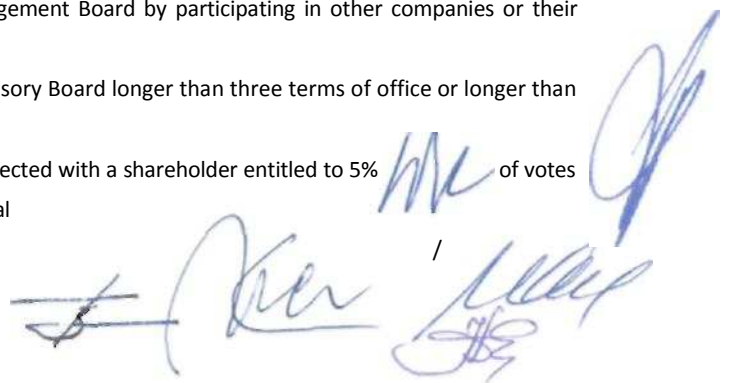
1. The Management Board shall manage the Company in accordance with the Company's budget and strategic plan, prepared and approved in accordance with the provisions of the present Articles of Association and represent the Company to third parties. The Management Board may determine, with its resolution, an organisational structure and a division of powers between the members of the Management Board.
2. All matters connected with running the Company, which are not reserved by an Act of Parliament or these Articles of Association for the scope of authority of the General Meeting of Shareholders or the Supervisory Board shall be the powers of the Management Board. Before performing the actions stipulated in § 13.2 e) and h) to s) as well as before performing actions for performance of which, according to the Commercial Companies Code, a resolution of the General Meeting of Shareholders is required, the Management Board shall ask the Supervisory Board or the General Meeting of Shareholders for the relevant permission.
3. The detailed procedures of operation of the Management Board shall be set out in the Bylaws of the Management Board. The Bylaws of the Management Board shall be adopted by the Company's Management Board and approved by the Supervisory Board.
4. If the Management Board consists of more than one member, 2 (two) members of the Management Board acting jointly or 1 (one) member of the Management Board acting along with a proxy is authorised to submit declarations of will and to set signatures on behalf of the Company. If the appointed Management Board consists of one person, the Company shall be represented by the member of the Management Board individually.
5. Resolutions of the Management Board shall be adopted by a simple majority of cast votes; in case of a tied vote, the vote cast by the President of the Management Board shall be decisive.
6. Employers of the Company are subordinated to the Company's Management Board, which concludes and terminates employment contracts with them and determines their remuneration for work according to the Remuneration Regulations.

§10.

1. In case of any disputes between the Company and a member of the Management Board, the Company shall be represented by the Supervisory Board or a proxy appointed by means of a resolution of the General Meeting of Shareholders.
2. A proxy appointed by means of a resolution of the General Meeting of Shareholders or the Supervisory Board is authorised to conclude, on behalf of the Company, employment contracts or other agreements with the members of the Management Board and to perform, on behalf of the Company, other actions related to employment contracts or other contractual relationships binding the members of the Management Board and the Company. The Supervisory Board may authorise, by means of a resolution, one of its members to perform the powers of the Supervisory Board, stipulated in the previous sentence and in section 1.

B. THE SUPERVISORY BOARD

1. The Supervisory Board shall consist of 3 (three) to 7 (seven) members, including a Chairman of the Supervisory Board and his Deputy, subject to a stipulation that in the case of obtaining by the Company the status of a public company, the Supervisory Board shall consist of 5 (five) to 7 (seven) members, including a Chairman of the Supervisory Board and his Deputy.
2. The members of the Supervisory Board shall be appointed and dismissed by the General Meeting of Shareholders, for a common term of office. Every time the General Meeting of Shareholders shall determine the number of members of the Supervisory Board, and by appointing its members, the General Meeting of Shareholders shall entrust the function of the Chairman of the Board and his Deputy. The members of the first Supervisory Board have been appointed in the process of transforming the limited liability company into a public limited company.
- 2a. Candidates for members of the Supervisory Board may be proposed by the Company's shareholders only. The proposal shall contain a candidate's curriculum vitae and the reasoning for his or her selection. A relevant document confirming that the person submitting the proposal is a shareholder in the Company shall be attached to the proposal. If the document mentioned in the previous sentence is not attached, the proposal shall not be valid.
3. A member of the Supervisory Board may resign from performing his function by submitting a written statement addressing the Company's Management Board and the resignation shall be effective from the day of delivering this statement to the Company. The Management Board is obliged to immediately inform the shareholders thereof and send a notification informing about calling of the General Meeting of Shareholders within 14 days, in accordance with §15 section 4 of the Articles of Association.
4. At least two members of the Supervisory Board shall meet the criteria of being independent from the Company and entities with significant relations to the Company. An independent member is a person who meets at least 3 of the following criteria:
 - a. The person is not and has not been a member of the Management Board of the Company or an Affiliated Company within the past five years.
 - b. The person is not and has not been employed by the Company or an Affiliated Company within the past three years.
 - c. The person does not receive and has not received significant additional remuneration from the Company or an Affiliated Company except for remuneration received for performing the duties of a member of the Supervisory Board. Such additional remuneration includes, in particular, a share in share option scheme or remuneration for results in another scheme; it does not include fixed amounts of remuneration within a pension scheme (including deferred remuneration) for previous work in the Company (provided that the payment of such remuneration does not depend on further employment).
 - d. The person is not a shareholder and does not represent, in any way, a shareholder(s) holding a controlling block of shares.
 - e. The person at present does not have and has not had within the past year any significant business relations with the Company or an Affiliated Company, either directly or as a stockholder, shareholder, director or a senior employee of an entity having such relations. Business relations include being a significant supplier of goods or services (including financial, legal, advisory or consulting ones), a significant customer or organisation, which receives significant contributions from the Company or its group.
 - f. The person at present is not and has not been within the past three years a partner or an employee of a current or previous external auditor of the Company or an Affiliated Company.
 - g. The person is not a member of the Management Board in another company, in which a member of the Company's Management Board is a member of the Supervisory Board and does not have other significant connections with members of the Company's Management Board by participating in other companies or their authorities.
 - h. The person has not been a member of the Supervisory Board longer than three terms of office or longer than 12 years.
 - i. The person is neither actually nor substantially connected with a shareholder entitled to 5% of votes or more in the total amount of votes at the General Meeting of Shareholders.



j. The person is not a close family member of a member of the Company's Management Board or people mentioned in letter a) to ~~0~~

5. Before being appointed to the Supervisory Board, independent Supervisory Board members shall be obliged to submit to the Company a written statement confirming their satisfaction of the criteria referred to in section 4; such statement shall also contain his/her undertaking, while he/she is, to immediately inform the Company if, in the future, they no longer meet the criteria referred to in section 4, a member of the Supervisory Board shall be obliged to immediately inform the Company thereof.
6. An Affiliated Company, referred to in section 4, is understood as an entity which has significant connections with the Company.

§12.

1. The term of office of the Supervisory Board shall last 5 (five) years.
2. The Supervisory Board acts based on the Bylaws adopted by the Supervisory Board.
3. The meeting of the Supervisory Board shall be convened and chaired by the Chairman of the Supervisory Board and in case of his absence – his Deputy. The Chairman of the previous Supervisory Board shall convene and open the first meeting of the newly appointed Supervisory Board.
4. Meetings of the Supervisory Board are held when needed, not less often than 4 (four) times a trading year.
5. The Chairman of the Supervisory Board and, in case of his absence, the Deputy Chairman, shall convene a meeting of the Supervisory Board upon his own initiative or upon a written motion of a member of the Company's Management Board or a member of the Supervisory Board. The meeting shall be convened within 2 (two) weeks of submitting a motion.
6. Meetings of the Supervisory Board shall be convened by sending notices by registered letter at least 7 (seven) days before the meeting, and simultaneous additional notices via e-mail to those members of the Supervisory Board who request that. A meeting of the Supervisory Board may take place without being formally convened if all the Board members agree to it at the latest on the day of the meeting and they will confirm that in writing or sign a list of attendance.
7. A member of the Supervisory Board may participate in adopting resolutions of the Supervisory Board by casting his vote in writing through another member of the Supervisory Board. Casting votes in writing may not refer to items placed on the agenda during a Supervisory Board meeting.
8. Supervisory Board meetings may take place on the phone or via e-mail, in a way enabling all the participants to communicate with each other at such a meeting of the Supervisory Board. Resolutions adopted at such a meeting shall be valid provided each member of the Supervisory Board present at this meeting signs a list of attendance and the agenda of a given meeting. In such a case it is assumed that the meeting has taken place in a venue and the agenda has been prepared in the place where the Chairman of the Supervisory Board, or in the case of his absence, where the Deputy Chairman has been, if the meeting has been presided by him.
9. Within the confines of the law, resolutions of the Supervisory Board may be adopted by means of voting in writing called by the Chairman or, in the case of his absence, by the Deputy Chairman if all the members of the Supervisory Board agree to the content of resolutions or to voting in writing. The day on which the resolution has been signed by the Chairman or the Deputy Chairman, if the voting in writing has been called by the Deputy Chairman, shall be considered the date of resolution adoption. The resolution adopted under the procedure referred to in sections 8 and 9 shall be valid if all the members of the Supervisory Board have been informed about the content of the draft resolution. Adopting resolutions under the procedure referred to in sections 7 - 9 shall not apply to the appointment of a member of the Supervisory Board as well as his dismissal or suspension.
10. The Supervisory Board adopts resolutions if at least 50% of its members participate in the meeting and all the Board members have been invited.
11. Resolutions of the Supervisory Board shall be adopted by an absolute majority of votes. In the case of an equal number of votes cast, the vote cast by the Chairman of the Supervisory Board shall prevail.

§13.

1. The Supervisory Board exercises permanent supervision over all aspects of the Company's activity.

Besides other matters reserved by the provisions of the present Articles of Association or provisions of law, the special powers of the Supervisory Board shall include:

- a) examining financial statements, evaluating the Management Board's report and motions of the Management Board regarding distribution of profits or covering of losses as well as submitting a written report to the General Meeting of Shareholders presenting the outcome of the above examination,
- b) appointing and dismissing members of the Company's Management Board as well as suspending particular or all the members of the Company's Management Board, in accordance with the rules stipulated in § 8,
- c) approving the Bylaws of the Management Board,
- d) determining remuneration of the members of the Management Board,
- e) granting consent to give general powers of attorney by the Management Board,
- f) approving annual financial plans of the Company (budget); the budget shall include at least an operational plan of the Company, the budget of profits and expenditures for a given trading year, forecasts on balance as well as a profit and loss account and a plan of investment expenditures,
- g) approving long-term strategic business plans of the Company (business plans) which shall include at least a long-term strategic plan, a plan of revenues and costs for each forecasting year as well as forecasts on balance and investment plans for particular forecasting years,
- h) granting the consent to incur liabilities by the Company with regard to a single transaction or a series of interrelated transactions not included in the approved budget in amounts: exceeding EUR 1 000 000 (one million euro) for a single transaction and EUR 2 000 000 (two million euro) in a calendar year, calculated according to the average euro exchange rate of the National Bank of Poland on the day of carrying out the transaction,
- i) granting the consent to incur loans and credits by the Company not included in the approved budget, the single value of which exceeds the equivalent in PLN of EUR 500 000 (five hundred thousand euro) and EUR 1 000 000 (one million euro) in a calendar year, calculated according to the average euro exchange rate of the National Bank of Poland on the day of incurring the liability,
- j) granting the consent to co-sign by the Company and incur liabilities by the Company for co-signing, guaranties and other off-balance liabilities not included in the approved budget, the value of which exceeds EUR 500 000 (five hundred thousand euro), calculated according to the average exchange rates of the National Bank of Poland on the day of performing the above activities,
- k) granting the consent to provide a pledge, mortgage, transfer of title to secure loan repayment and other liabilities to the Company's assets not included in the approved budget, the value of which exceeds EUR 1 000 000 (one million euro), converted into PLN according to the average foreign exchange rates of the National Bank of Poland on the day of carrying out these activities,
- l) granting the consent to issue debt instruments not included in the approved budget, the value of which exceeds EUR 1 000 000 (one million euro), converted into PLN according to the foreign exchange rates of the National Bank of Poland binding on the day of the issuance,
- m) approving expenditures of the Company (including investment expenditures) with regard to a single transaction or a series of interrelated transactions, not included in the approved budget, the value of which exceeds EUR 500 000 (five hundred thousand euro) converted into PLN according to the average foreign exchange rates of the National Bank of Poland on the day on which the expenditures were made,
- n) granting the consent to purchase or acquire stocks or shares by the Company in other commercial companies as well as on joining other business entities by the Company,
- o) granting the consent to purchase and sell assets of the Company - the value of which exceeds 10% (ten per cent) of the Company's share capital, excluding stocks sold under ordinary activity of the Company,
- p) granting the consent to sell or free transfer of copyright or other intellectual property, beyond standard management of the Company and not included in the approved budget,



- q) granting the consent to conclude an agreement or make a transaction by the Company with an affiliated entity except for standard transactions or agreements, concluded on market conditions under operational activity of the Company



with a subsidiary, in which the Company owns the majority of shares. The affiliated entity, referred to in the previous sentence, shall be understood as an affiliated entity in the meaning of the Regulation of the Minister of Finance of 19 October 2005 on Current and Periodical Information to Be Provided by Issuers of Securities,

- r) appointing an auditor to examine the financial statements of the Company.

§14.

1. Members of the Supervisory Board shall exercise their rights and perform their duties personally.
2. Members of the Supervisory Board may be granted remuneration. The remuneration of the members of the Supervisory Board shall be determined by a resolution of the General Meeting of Shareholders.
3. Members of the Supervisory Board are not entitled to reimbursement of costs with regard to participation in the works of the Board.
4. The Supervisory Board may delegate 1 (one) or several Board members to perform supervisory activities independently.
5. Members of the Supervisory Board who are delegated to perform permanent oversight independently shall receive separate remuneration, the value of which shall be determined by the General Meeting of Shareholders. To such members of the Supervisory Board, the non-competition clause, stipulated in article 380 of the Commercial Companies Code, shall apply.

**C. THE GENERAL MEETING OF
SHAREHOLDERS.**

§15.

1. There shall be Ordinary and Extraordinary General Meetings of Shareholders.
2. The Ordinary General Meeting of Shareholders shall be held within 6 (six) months after the end of a trading year.
3. The Extraordinary General Meeting of Shareholders shall be convened by the Company's Management Board upon its own initiative or upon a written motion of the Supervisory Board or in accordance with article 400 §1 of the Commercial Companies Code, upon a motion of a Shareholder or Shareholders representing at least 10 % (ten per cent) of the share capital.
4. The Extraordinary General Meeting of Shareholders shall be held within 2 (two) weeks from submitting a motion.
5. A General Meeting of Shareholders may be convened by the Supervisory Board if:
 - a) the Management Board has not convened the Ordinary General Meeting of Shareholders within the period of time stipulated in § 15 point 2, or
 - b) in spite of submitting a motion, referred to in §15.3, the Management Board has not convened the Extraordinary General Meeting of Shareholders within the period of time, stipulated in §15.4.

§16.

1. Resolutions may not be adopted with regard to matters not included in the agenda unless the entire share capital of the Company is represented at the Meeting and none of the participants objects to the adoption of the resolution.
2. Agenda motions and motions for convening an Extraordinary General Meeting of Shareholders may be adopted in spite of the fact they have not been included in the agenda.

3. Resolutions may be adopted without formal calling of the General Meeting of Shareholders if the entire share capital of the Company is represented and none of the people present has objected to the General Meeting of Shareholders or inclusion of particular matters into the agenda.
4. A Shareholder or Shareholders representing at least 10% (ten per cent) of the Company's share capital may request that particular matters be included in the agenda for the next General Meeting of Shareholders.
5. If the request, referred to in §16.4., is made after announcing the General Meeting of Shareholders, it shall be treated as a motion to convene the Extraordinary General Meeting of Shareholders.

§17.

The General Meetings of Shareholders shall be held in the head office of the Company.

§18.

The General Meeting of Shareholders may adopt resolutions regardless of the number of Shareholders being present or shares being represented unless the Articles of Association or mandatory provisions of law stipulate otherwise.

§19.

1. Resolutions of the General Meeting of Shareholders shall be adopted by a simple majority of votes cast by Shareholders present at the Meeting unless mandatory provisions of law or the present Articles of Association stipulate otherwise.
2. The General Meeting of Shareholders may announce breaks in the meetings by a majority of 2/3 (two thirds) of votes cast. The total length of breaks may not be longer than 30 (thirty) days.

§20.

1. In particular, the powers of the General Meeting of Shareholders include:

- a) review and approval of a report of the Management Board and a report of the Supervisory Board on the Company's activity and a financial statement for the previous financial year;
 - b) adoption of a resolution on distribution of profits and coverage of losses;
 - c) appointment and dismissal of the members of the Supervisory Board;
 - d) confirmation of proper execution of duties by the members of Company's authorities;
 - e) merger, division or transformation of the Company;
 - f) dissolution of the Company;
 - g) selling or leasing the Company and establishing a right to use thereon;
 - h) increase or decrease in the share capital of the Company;
 - i) establishment of the rules for remunerating members of the Supervisory Board;
 - j) establishment and abolition of special-purpose funds;
 - k) change to the object of the Company;
 - l) amendment to the Company's Articles of Association;
 - m) issuing bonds, including bonds convertible into shares and bonds with priority rights;
 - n) election of liquidators;
 - o) any decisions on claims for compensation of damages suffered in the course of the Company's establishment or while exercising managerial or supervisory functions;
 - p) examination of cases brought by the Supervisory Board, the Management Board or a Shareholder.
2. In addition to matters enumerated in §20.1, other issues stipulated in provisions of law or in the Articles of Association shall require a resolution of the General Meeting of Shareholders.

§21.

1. Voting at the General Meetings of Shareholders shall be open. Secret voting is ordered for elections or motions to dismiss members of the Company's authorities or liquidators, to hold them responsible and in personnel issues. Secret voting shall be ordered at the request of at least one of the shareholders present or represented at the General Meeting of Shareholders. The General Meeting of Shareholders may adopt a resolution abolishing secret voting with regard to the election of commissions appointed by the General Meeting of Shareholders.
2. Resolutions on changes of the object of the Company shall always be adopted in open roll call voting.

**VI. COMPANY'S FINANCIAL
MANAGEMENT**

§22.

1. To cover losses, the Company shall create surplus capital, to which at least 8% (eight) of profit for a given financial year shall be transferred until the capital reaches a level of 1/3 (one third) of the Company's share capital.
2. The Company shall also establish:
 - a) reserve capital – to cover particular expenditures or losses,
 - b) special-purpose funds, which may be abolished and used if needed, by a resolution of the General Meeting of Shareholders.
3. In particular, the profit of the Company may be allocated to:
 - a) surplus capital;
 - b) investments;
 - c) additional reserve capital established in the Company;
 - d) dividends for Shareholders;
 - e) other purposes determined by a resolution of the General Meeting of Shareholders.
4. The dividend date and the dividend payment date shall be determined in accordance with applicable provisions of law.

§23.

1. The financial year shall be a calendar year. The first financial year begins on the day when the Court issues a decision on entering the Company into the Register of Entrepreneurs maintained by the National Court Register and ends on 31 December 2007.
2. The accounting books shall be conducted in accordance with the applicable provisions of law.
3. The Company's Management Board is obliged to immediately inform the Supervisory Board about any extraordinary changes to the financial and legal situation of the Company or of major violations of agreements of which the Company is a Party.

VII. FINAL PROVISIONS

§24.

The Company makes its announcements in *Monitor Sądowy i Gospodarczy*.

§25.

1. The Company is dissolved after carrying out the liquidation.
2. The liquidation of the Company shall be carried out under the Company's name including "in liquidation".
3. Members of the Management Board are liquidators unless the General Meeting of Shareholders decides otherwise.
4. The Company's assets left after satisfying or securing creditors shall be distributed among Shareholders in proportion to contributions made by each Shareholder to the Company's share capital.
5. The Company may be dissolved by:
 - a) a resolution of the General Meeting of Shareholders on dissolving the Company,
 - b) declaring bankruptcy of the Company.

§26.

To all matters, which are not regulated by these Articles of Association, the binding provisions of law shall apply.

 KONSORCJUM STALI S.A.
PREZES ZARZĄDU

Robert Wojdyna

 KONSORCJUM STALI S.A.
WICEPREZES ZARZĄDU

Janusz Kocłęga

 KONSORCJUM STALI S.A.
CZŁONEK ZARZĄDU

Marek Skwarski

 KONSORCJUM STALI S.A.
WICEPREZES ZARZĄDU

Krzysztof Przybysz

 KONSORCJUM STALI S.A.
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