

**STATUTE OF A JOINT STOCK COMPANY**  
**(complete text, including amendments of 18.01.2011)**

**I. GENERAL PROVISIONS**

**§1.**

1. The business name of the Company is Konsorcjum Stali Spółka Akcyjna.
2. The Company may use the abbreviated business name Konsorcjum Stali S.A. and its distinctive graphic mark.

**§2.**

1. The Company's registered office is based in the capital city of Warsaw.
2. The Company was established as a result of transformation of Konsorcjum Stali Spółka z ograniczoną odpowiedzialnością into a joint stock company and its founders are all partners of the transformed company who made statements about participation in the transformed company.

**§3.**

1. The Company shall operate on the territory of the Republic of Poland and abroad.
2. The Company may establish and run branches, plants, agencies and other organisational units and participate in other companies or undertakings on the territory of the Republic of Poland and abroad.
3. The Company is established for an unlimited period of time.

**II. COMPANY'S BUSINESS**

**§4.**

1. According to the Polish Classification of Business Activity (PKD), the Company's business consists in:
  - 1) Metal manufacturing (24)
  - 2) Manufacture of metal finished products, except machinery and equipment (25)
  - 3) Manufacture of machinery and equipment, not elsewhere classified (28)
  - 4) Manufacture of bodywork for engine-driven vehicles; manufacture of trailers and semi-trailers (29.20.Z)
  - 5) Manufacture of ships and boats (30.1)
  - 6) Repair and maintenance of metal finished 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, devices and equipment (33.20.Z)
  - 11) Processing and neutralisation of waste (38.2)
  - 12) Recovery of raw materials (38.3)
  - 13) Construction work related to the erection of buildings (41)
  - 14) Works related to the construction of land and water engineering structures (42)
  - 15) Specialist construction works (43)
  - 15a) Wholesale and retail sale of motor vehicles, except motorbikes

- (45.1)
- 15b) Maintenance and repair of motor vehicles, except motorbikes (45.2)
- 15c) Wholesale and retail sale of parts and accessories for motor vehicles, except motorbikes (45.3)
- 16) Other specialised wholesale (46.7)
- 17) Non-specialised wholesale (46.90.Z)
- 18) Other retail sale in non-specialist shops (47.19.Z)
- 19) Retail sale of hardware, paints and glass in specialised shops (47.52.Z)
- 20) Road transport of goods and removal services (49.4)
- 21) Warehousing and storage of goods (52.10)
- 22) Reloading of goods at other reloading points (52.24.C)
- 23) Activity of financial holdings (64.20.Z)
- 24) Operations of trusts, funds and similar financial institutions (64.30.Z)
- 25) Other financial service activities, except insurance and retirement funds (64.9)
- 26) Brokerage related to securities and commodity exchanges (66.12.Z)
- 27) Other activities auxiliary to financial services, except insurance and retirement funds (66.19.Z)
- 28) Real property market services (68)
- 29) Accounting and book-keeping activity; tax consultancy (69.20.Z)
- 30) Activities of head offices and holding companies, except financial holding companies (70.10.Z)
- 31) Management consultancy (70.2)
- 32) Engineering activities and related technical consultancy (71.12.Z)
- 33) Other technical testing and analyses (71.20.B)
- 34) Other research and development in natural sciences and engineering (72.19.Z)
- 35) Advertising (73.1)
- 36) Specialised design activities (74.10.Z)
- 37) Other professional activity, scientific and technical, not elsewhere classified (74.90.Z)
- 38) Rental and lease of motor vehicles, except motorbikes (77.1)
- 39) Rental and lease of construction machinery and equipment (77.32.Z)
- 40) Rental and lease of other machinery, equipment and tangible goods (77.3)
- 41) Lease of intellectual property and similar products, except copyrighted works (77.40.Z)
- 42) Activities of collection agencies and credit offices (82.91 .Z)
- 43) Other activity auxiliary to business, not elsewhere classified (82.99.Z)
- 44) Educational support activities (85.60.Z).

2. Activity that requires permits or licences shall be started once the Company has obtained them.
3. A material change in the Company's business may be made based on a resolution by the General Meeting passed by a 2/3 (two-thirds) majority of votes in the presence of individuals representing at least one half of the share capital

without the obligation to repurchase the stocks held by Stockholders who objected to the change of the scope of business.

### **III. CAPITAL AND**

#### **STOCKS**

##### **§5.**

1. The Company's share capital amounts to 5,897,419 (in words: five million, eight hundred and ninety-seven thousand, four hundred and nineteen) zloty and is divided into 5,897,419 (in words: five million, eight hundred and ninety-seven thousand, four hundred and nineteen) stocks of PLN 1 (one zloty) each, including:
  - a. 3,000,000 (three million) series A bearer stocks with numbers from 000 0001 to 3 000 000,
  - b. 230,041 (in words: two hundred and thirty thousand forty-one) series B bearer stocks with numbers 000001 - 230041, and
  - c. 2,667,378 (in words: two million, six hundred and sixty-seven thousand, three hundred and seventy-eight) series C bearer stocks with numbers 0000001 - 2 667 378
2. Series A stocks were paid for in full before registering the Company. Series B and C stocks were paid for in full before registering the increase in the share capital by way of issue of series B and C stocks correspondingly.
3. When the Company's stocks are admitted to trading on a regulated market, the conversion of bearer stocks into registered stocks is not allowed.
4. By way of a resolution of the General Meeting, the share capital may be increased by issuing new stocks or by increasing the nominal value of existing stocks. The increase in the share capital is also possible as part of a contingent increase in the share capital.
5. The Company may issue convertible bonds, senior bonds and subscription warrants.

### **IV. REDEMPTION OF STOCKS**

##### **§6.**

1. Upon the stockholder's consent, his/her stocks may be redeemed by way of purchase by the Company (voluntary redemption).
2. The redemption of stocks is made by decreasing the Company's share capital.
3. Remuneration due to the redemption of stocks shall be paid to a stockholder within thirty (30) days of the day of passing of the resolution on the redemption of stocks and decreasing the Company's share capital by the General Meeting.
4. The General Meeting's resolution on the redemption of stocks shall define the procedure and terms for redeeming the stocks, in particular the amount and mode of payment of the remuneration to the stockholder whose stocks are redeemed, the legal basis for the redemption as well as the procedure for decreasing the share capital.
5. If the remuneration for voluntary stock redemption is funded from the amount which, according to article 348 § 1 of the Commercial Companies Code, may be earmarked for distribution, sections 6-7 shall apply.
6. The General Meeting shall pass a resolution in which: (a) it shall consent to the purchase of the Company's equity stocks by the Management Board for the purpose of redemption; (b) it shall

earmark, as specified by article 348 § 1 of the Commercial Companies Code, a portion of the company's profit to fund the purchase of the equity stocks for redemption; (c) it shall specify the maximum number and price of the company's equity stocks to be purchased for redemption; (d) it shall define the maximum period of time in which the Management Board is authorised to purchase the equity stocks for redemption. 7. Following the purchase of the equity stocks for redemption, the Management Board shall convene the General Meeting to adopt a resolution on redeeming the stocks and decreasing the share capital.

## **V. CORPORATE**

### **BODIES**

#### **§7.**

The corporate bodies are:

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

### **A. MANAGEMENT**

#### **BOARD**

#### **§8.**

1. The Company's Management Board shall be composed of 1 (one) to 7 (seven) members.
2. The term of office of the Management Board is 3 (three) years for all members jointly. The members of the Management Board may be appointed for consecutive terms of office.
3. The Supervisory Board shall define the number of members of the Management Board and appoint them, including the President of the Management Board, except for the first Management Board, whose members were appointed at the time of transformation of business from a limited liability company into a joint stock company.
- 3 Candidates for members of the Management Board may only be designated by the Company's stockholders or by members of the Supervisory Board. The designation of a candidate shall include the candidate's professional resume and explanation of why he/she is designated as a candidate. If a candidate designation is not made by a member of the Supervisory Board, the designation shall include a document confirming that the person designating a candidate is a stockholder of the Company. If the document referred to in the previous sentence is not presented, the designation shall be invalid.
- 4 The Supervisory Board may dismiss or suspend individual or all members of the Management Board before the expiry of the term of office.
- 5 The dismissal of the members of the Management Board shall not prejudice their claims under the employment contract.
- 6 The dismissal or suspension of individual or all members of the Management Board may only be done for valid reasons. In the event of dismissal, resignation or other reasons preventing members of the Management Board from performing their duties, the Supervisory Board may

delegate its members for a period of up to 3 (months) to temporarily perform the tasks of Management Board members.

- 7 A member of the Management Board may not, without the consent of the Supervisory Board, be involved in competitive business or participate in a competitive company as partner in a civil law partnership, commercial partnership or as a member in the bodies of capital companies or participate in other competitive legal persons as a member in their bodies. This prohibition also includes participation in competitive capital companies in which a member of the Management Board holds at least 10% of shares or stocks or the right to appoint at least one management board member.
- 8 The Supervisory Board shall specify the remuneration for members of the Management Board.

#### **§9.**

1. The Company's Management Board shall manage the Company according to the budget and strategic plan, prepared and approved according to the provisions of this Statute, and shall represent the Company before third parties. By way of a resolution, the Management Board may specify an organisational structure and assign responsibilities to the individual members of the Management Board.
2. All matters related to running the Company's business, which are not reserved by an act or by this Statute for the General Meeting or the Supervisory Board, shall be the responsibility of the Management Board. The Management Board, before performing actions which – according to the provisions of the Commercial Companies Code or of the Statute – require consent by the Supervisory Board or the General Meeting, shall request the competent corporate body to pass an appropriate resolution.
3. The procedure of conduct for the Management Board shall be laid down in detail by the Regulations of the Management Board. The Regulations of the Management Board shall be passed by the Company's Management Board and approved by the Supervisory Board.
4. If the Management Board is composed of several members, 2 (two) members of the Management Board acting jointly or 1 (one) member of the Management Board acting jointly with a proxy shall be entitled to make declarations of intent and signatures on behalf of the Company. If a single-member Management Board is appointed, the Company shall be represented by that member of the Management Board acting autonomously.
5. Resolutions by the Management Board shall be passed by a simple majority of votes; in the event of a tied vote, the President of the Management Board shall have the decisive vote.
6. The Company's employees shall be subordinate to the Management Board, which shall conclude and terminate employment contracts with the employees and specify their remuneration according to the remuneration regulations.

#### **§10.**

1. In the event of any disputes between the Company and a Management Board member, the Company shall be represented by the Supervisory Board or an attorney appointed by way of a resolution by the General Meeting.
2. An attorney appointed by way of a resolution by the General Meeting or the Supervisory Board shall have the right to conclude employment contracts or other contracts with members of the Management Board, to perform other actions – in the Company's name – relating to employment relation or other contractual relation binding a member of the Management Board to the Company. By way of a resolution, the Supervisory Board may designate one of its

members for the exercise of the Supervisory Board's powers referred to in the previous sentence and in section 1.

## **B. SUPERVISORY**

### **BOARD**

#### **§11.**

1. The Supervisory Board shall be composed of 5 (five) to 7 (seven) members, including a Chairman and a Vice-Chairman.
2. Members of the Supervisory Board shall be appointed and dismissed by the General Meeting for a joint term of office. The General Meeting shall each time specify the number of Supervisory Board members and decide on appointing individual Supervisory Board members as Chairman and Vice-Chairman. The members of the Supervisory Board in the first term of office were appointed in the course of transforming the business from a limited liability company into a joint stock company. 2a. Candidates for members of the Supervisory Board may only be designated by the Company's stockholders. The designation of a candidate shall include the candidate's professional resume and explanation why he/she is designated as a candidate. The designation shall include a document confirming that the person designating a candidate is a stockholder of the Company. If the document referred to in the previous sentence is not presented, the designation shall be invalid.
3. Resignation from the post of Supervisory Board member must be tendered in writing to the Company's General Meeting through the Management Board. Upon receiving a resignation of a Supervisory Board Member, the Management Board shall be obliged to immediately notify the Stockholders and to convene a General Meeting not later than within 14 days.
4. At least two members of the Supervisory Board shall fulfil the criteria concerning independence from the Company and entities which have significant relations with the Company. An independent member shall fulfil at least the following criteria:
  - a. The individual is not a member of the Management Board of the company or an associate and has not held such function in the last five years.
  - b. The individual is not an employee of the Company or an associate and has not been an employee in the last three years.
  - c. The individual has not received additional remuneration in a significant amount from the Company or an associate, except for the remuneration received as a member of the Supervisory Board. Such additional remuneration shall include in particular participation in a stock option scheme or another scheme for rewarding results; it shall not include remunerations received at constant amounts as part of a retirement scheme (including deferred remuneration) due to earlier employment with the company (provided that the payment of such remuneration is not contingent upon continued employment).
  - d. The individual is not a stockholder or does not represent in any manner the stockholder(s) holding a controlling interest.
  - e. The individual does not maintain and did not maintain in the last year significant commercial relations with the Company or an associate, directly or acting as partner, stockholder, director or senior employee of a body which maintains such relations. Commercial relations involve being a significant supplier of goods or services (including financial, legal, advisory or

consulting services), being a significant customer and organisation receiving substantial contributions from the company or from its group.

- f. The individual is not and was not in the last three years a partner or employee of a current or former external auditor of the Company or an associate.
- g. The individual is not a management board member in another company in which a member of the Company's Management Board is a member of the Supervisory Board and does not have any significant relations with the members of the Company's Management Board through their participation in other companies or bodies.
- h. The individual has not held any functions in the Supervisor Board for longer than 3 (three) terms of office or for a total duration of more than 12 (twelve) years.
- i. The individual is not actually and significantly related to a stockholder entitled to exercise 5% and more votes at the General Meeting.
- j. The individual is not a close family relative to a member of the Company's Management Board or to people referred to in point a).

5. Before being appointed, independent members of the Supervisory Board shall be obliged to present to the Company a written statement saying that they fulfil the requirements specified in section 4. In the event of situations resulting in non-fulfilment of the criteria specified in section 4, the Supervisory Board member shall be obliged to immediately notify the Company about this fact.
6. An associated company referred to in section 4 shall denote an entity in close relations with the Company.

#### **§12.**

1. The Supervisory Board's term of office is 5 (five) years.
2. The Supervisory Board shall operate based on the Regulations which it adopted.
3. Sessions of the Supervisory Board shall be convened and chaired by the Chairman or – in the absence of the Chairman – by the Vice-Chairman. The Chairman of the outgoing Supervisory Board shall convene and open the first session of the newly appointed Supervisory Board.
4. Sessions of the Supervisory Board shall be held as necessary but not less frequently than 4 (four) times per financial year.
5. The Chairman of the Supervisory Board or – in the absence of the Chairman – the Vice-Chairman shall convene the session of the Supervisory Board on his own initiative or at a written request by the Company's Management Board or a member of the Supervisory Board. Sessions shall be convened within 2 (two) weeks from the day when the request was made.
6. Sessions of the Supervisory Board shall be convened 7 (seven) days in advance by registered letter, and by way of an additional e-mail message sent to those members of the Supervisory Board who wish to receive such message. The Supervisory Board may hold sessions without being formally convened if all of its members express consent on the day of the session at the latest and confirm their consent with a letter or sign an attendance list.
7. Members of the Supervisory Board may participate in passing the Board's resolutions through voting in writing via another Member of the Supervisory Board. It is not possible to vote in writing on matters included in the agenda at the meeting of the Supervisory Board.
8. The Supervisory Board may hold sessions using means of distance communication in such a way so as to facilitate mutual contact between all members of the Supervisory Board participating in the session. Resolutions passed during such session shall be valid, provided that the attendance list and the minutes of the session are signed by each member of the Supervisory Board participating in the session. In this case, it shall be assumed that the location where the meeting was held and the minutes are taken is the place where the Chairman or – in the absence of the Chairman – the Vice-Chairman was present, if the session was presided by them.
9. Resolutions passed during such session shall be valid, provided that the attendance list and the minutes of the session are signed by each member of the Supervisory Board participating in the session. In this case, it shall be assumed that the location where the meeting was held and the minutes are taken is the place where the Chairman or – in the absence of the Chairman – the Vice-Chairman was present, if the session was presided by them.
10. To the extent allowed by the law, the resolutions of the Supervisory Board may be passed by way of a vote in writing ordered by the Chairman or – in the absence of the Chairman – by the Vice-Chairman if all members of the Supervisory Board express consent to the resolutions or to the vote in writing. The date of the resolution shall be considered the day of its signing by the

Chairman or the Vice-Chairman if the vote in writing was ordered by the Vice-Chairman. A resolution adopted in line with the procedure specified in section 8 and section 9 shall be valid, if the draft resolution was made known to all members of the Supervisory Board. The adoption of resolutions according to the procedure specified in sections 7-9 shall not apply to the appointment, dismissal or suspension of Management Board members.

11. The Supervisory Board shall pass resolutions if at least half of its members are present at the meeting, and all of its members have been duly notified.
12. The resolutions of the Supervisory Board shall be passed by a simple majority of votes. In the event of a tied vote, the Chairman of the Supervisory Board shall have the decisive vote.

### **§13.**

1. The Supervisory Board exercises continuous supervision over the Company's operation in all fields of its activity.
2. Apart from other matters restricted by the provisions of this Statute or the law, the Supervisory Board's responsibilities shall include in particular:
  - a) Evaluating the financial statements, the Company's management report and the Management Board's motions regarding the distribution of profits or the coverage of losses and submitting a written report on these actions to the General Meeting,
  - b) Appointing and dismissing members of the Company's Management Board and suspending individual or all members of the Company's Management Board according to the principles specified in § 8,
  - c) Approving the Regulations of the Management Board,
  - d) Specifying the remuneration for members of the Management Board or other benefits for members of the Management Board paid or provided by the Company for any reason,
  - e) Approving the Company's annual financial plans (budget); the budget shall include at least the Company's operating plan, plan of revenues and expenses for a given financial year, forecasts for the balance sheet and the profit and loss account as well as a plan of capital expenditures,
  - f) Approving the Company's long-term economic plans (business plan), including at least a long-term strategic plan, plan of revenues and expenses for each year of the forecast, forecasts for the balance sheet as well as a plan of capital expenditures in the forecast years,
  - g) Approving the Company's liabilities under a single agreement or transaction or a number of related agreements or transactions not included in the budget which represent material agreements according to the applicable laws on disclosures by issuers of securities,
  - h) Approving borrowings and loans raised by the Company not included in the current budget in the amount of at least 10% of the Company's equity based on the most recent periodic financial statements published in accordance with the applicable laws on disclosures by issuers of securities,
  - i) Approving sureties given by the Company as well as liabilities due to sureties, guarantees and other off-balance sheet items incurred by the Company but not included in the current budget, in the amount of at least 10% of the Company's equity, based on the most recent periodic financial statements published in accordance with the applicable laws on disclosures by issuers of securities,

- j) Approving pledges, mortgages, transfers of ownership to secure debt and other encumbrances on the Company's assets, not included in the current budget, in excess of EUR 1,000,000 (one million euro), converted into the Polish zloty according to NBP's table of average exchange rates as at the day of such operations,
- k) Approving the issue of debt instruments not included in the current budget, in excess of EUR 1,000,000 (one million euro), converted into the Polish zloty according to NBP's table of average exchange rates as at the day of the issue,
- l) Approving the Company's purchase or acquisition of shares or stocks in other commercial companies, resulting in a relation of dominance and the Company joining other businesses,
- m) Approving the purchase and sale of the Company's assets whose value exceeds 10% (ten per cent) of the Company's equity disclosed in the most recent periodic financial statements published according to the applicable laws on disclosures by issuers of securities, excluding inventory sold as part of the Company's business,
- n) Approving the sale or free transfer of copyrights or other intellectual property rights exceeding the scope of ordinary management and not included in the current budget,
- o) Approving the Company's conclusion of an agreement or a transaction with a related party, except for transactions or typical agreements concluded at arm's length as part of the Company's operating business done with the related party in which the Company holds a controlling interest. The related party referred to before shall denote a related party as stipulated by the laws on disclosures by issuers of securities,
- p) Approving the purchase and sale of real property, perpetual usufruct or interest in real property,
- q) Appointing a certified auditor to audit the Company's financial statements,
- r) Performing the tasks of an Audit Committee if the number of Supervisory Board members does not exceed five people, unless a separate Audit Committee is appointed,
- s) If a separate Audit Committee is appointed, approving the Audit Committee's Regulations and any amendments to it.

#### **§14.**

1. Members of the Supervisory Board shall exercise their rights and carry out their duties in person.
2. Members of the Supervisory Board may be awarded remuneration. The remuneration for the members of the Supervisory Board shall be specified by a resolution of the General Meeting.
3. Members of the Supervisory Board shall be entitled to reimbursement of costs incurred in connection with participating in the Supervisory Board's work.
4. The Supervisory Board may delegate 1 (one) or several of its members to individually exercise supervisory functions.
5. Members of the Supervisory Board delegated to individually exercise supervisory functions shall receive separate remuneration in an amount determined by the General Meeting. The above-mentioned members of the Supervisory Board shall be bound by the non-competition clause referred to in article 380 of the Commercial Companies Code.

### **C. GENERAL MEETING**

#### **§15.**

1. The General Meeting may be ordinary or extraordinary.
2. An ordinary General Meeting shall hold session within 6 (six) months from the end of a financial year.
3. An Extraordinary General Meeting shall be convened by the Company's Management Board on its own initiative or at a written request of the Supervisory Board or according to article 400 § 1 of the Commercial Companies Code at the request of a Stockholder or Stockholders representing at least 1/20 (one-twentieth) of the Company's share capital.
4. An Extraordinary General Meeting shall be convened within 2 (two) weeks of the day when the request was submitted.
5. The General Meeting may be convened by the Supervisory Board if the Management Board fails to convene an Ordinary General Meeting by the date specified in § 15 section 2.
6. An Extraordinary General Meeting may be convened by the Supervisory Board if the Supervisory Board decides that such Meeting should be convened.
7. Stockholders representing at least one half of the share capital or at least one half of the overall votes in the company may convene an Extraordinary General Meeting. In this case, the Stockholders shall designate the Chairman of the Meeting.
8. The General Meeting shall be opened by the Chairman of the Company's Supervisory Board or a person designated by the Chairman or – in the absence of these individuals – by a person designated by the Company's Management Board, and then the General Meeting shall promptly appoint its Chairman from among the persons entitled to participate in the General Meeting.

#### **§16.**

1. In matters not included in the agenda, no resolution may be passed unless the whole share capital is represented at the General Meeting and no participant presents objections to passing such a resolution.
2. Procedural motions and motions to convene an Extraordinary General Meeting may be passed even if these are not included in the agenda.
3. Resolutions may be passed even if the General Meeting is not formally convened, provided that the entire share capital is represented and no participant objects to holding the session of the General Meeting or including specific items in the agenda.
4. A Stockholder or Stockholders representing at least 1/20 (one-twentieth) of the share capital may request that individual issues are included in the agenda at the soonest General Meeting. The request shall be presented to the Management Board not later than twenty one days prior to the scheduled date of the General Meeting.
5. If the request referred to in § 16.4 is made after the date specified hereinbefore, it shall be regarded as a request to convene an Extraordinary General Meeting.
6. The request referred to in § 16.4 must include a justification or a draft resolution related to the proposed item on the agenda. The request may be submitted in electronic form to the e-mail address indicated by the Management Board on the Company's website.

#### **§17.**

The General Meetings shall be held at the Company's registered office.

**§18.**

The General Meeting may pass resolutions irrespective of the number of the present Stockholders or the represented stocks, unless the Statute or compulsory legal provisions stipulate otherwise.

**§19.**

1. Resolutions of the General Meeting shall be adopted by a simple majority of votes cast by the Stockholders attending the Meeting unless compulsory legal provisions or this Statute stipulate otherwise.
2. The General Meeting may suspend the session by a 2/3 (two-thirds) majority of votes. However, the total duration of recess may not exceed 30 (thirty) days.

**§20.**

1. The responsibilities of the General Meeting shall include in particular:
  - a) Examining and approving the Company's management report and the Supervisory Board's report as well as the financial statements for the previous financial year;
  - b) Passing resolutions on profit distribution or loss coverage;
  - c) Appointing and dismissing Supervisory Board members;
  - d) Acknowledgement of the fulfilment of duties by the Company's authorities;
  - e) Combining, dividing or transforming the Company;
  - f) Dissolving the Company;
  - g) Selling and leasing out the Company's business or its organised part and establishing limited property rights thereon;
  - h) Increasing or decreasing the share capital;
  - i) Specifying the rules for remunerating members of the Supervisory Board;
  - j) Creating and releasing earmarked funds;
  - k) Changing the scope of the Company's business;
  - l) Amending the Company's Statute;
  - m) Issuing bonds, including convertible bonds and senior bonds;
  - n) Appointing liquidators;
  - o) Deciding on claims for compensation of damage done in the course of incorporating the Company or exercising management or supervisory functions;
  - p) Examining matters submitted by the Supervisory Board, the Management Board or the Stockholders.
2. Notwithstanding the matters referred to in § 20.1, other matters specified in legal provisions or in the Statute shall require resolutions of the General Meeting.

**§21.**

1. Voting at the General Meeting is open. Secret ballot shall be ordered for appointments and motions concerning dismissal of the members of the Company's bodies or liquidators, motions to hold them liable as well as personal motions. A secret ballot shall be ordered at the request of at least one of the stockholders present or represented at the General Meeting. The General Meeting

may resolve to repeal the secret ballot on the appointment of committees designated by the General Meeting.

2. Resolutions on modifying the Company's business shall always be passed by way of an open and signed ballot.

## **VI. MANAGEMENT OF**

### **CORPORATE AFFAIRS**

#### **§22.**

1. In order to cover balance sheet losses, the Company shall create supplementary capital to which at least 8% (eight per cent) of profit for a given financial year shall be transferred until the capital reaches at least 1/3 (one-third) of the share capital amount.
2. The Company shall also create:
  - a) Reserve capital – to cover expenditures or losses;
  - b) Earmarked funds, which may be released by a resolution of the General Meeting and used as required.
3. In particular, the Company's profit may be earmarked for:
  - a) supplementary capital;
  - b) investments;
  - c) additional reserve capital created in the Company;
  - d) dividends for Stockholders;
  - e) other purposes specified by a resolution of the General Meeting.
4. The dividend day and dividend payment day shall be specified according to the applicable laws.

#### **§23.**

1. The Company's financial year shall be the financial year, while the first financial year starts as of the day of the Court's decision to enter the Company into the Register of Businesses of the National Court Register and ends on 31 December 2007.
2. The Company's accountancy shall be maintained in accordance with the applicable laws.
3. The Company's Management Board shall be obliged to immediately notify the Supervisory Board of any extraordinary changes in the Company's financial and legal position or material violations of agreements to which the Company is a party.

## **VII. FINAL PROVISIONS**

#### **§24.**

The Company's disclosures shall be made in accordance with the law and, in particular, depending on the nature of the disclosures, they shall be published on the Company's website or in the Court and Business Gazette and whenever the Company is bound by a specific obligation to disclose current information according to the laws on public offering, the introduction of financial instruments to organised trading and publicly traded companies.

**§25.**

1. The Company shall be dissolved following complete liquidation.
2. During liquidation, the Company's business name shall include the words "in liquidation".
3. Liquidators shall be Management Board members unless the General Meeting decides otherwise.
4. The Company's assets left after satisfying or securing creditors shall be distributed to the Stockholders proportionately to their share capital contributions.
5. The Company's dissolution shall be effected by:
  - a) a resolution on the Company's dissolution by the General Meeting,
  - b) announcement of the Company's bankruptcy.

**§26.**

In matters not regulated in this Statute, the binding laws shall apply.