

# **ARTICLES OF ASSOCIATION**

**NG2 SPÓŁKA AKCYJNA**

POLKOWICE

ul. Strefowa 6

## **Consolidated Text at 29.06.2009**

(With registered amendments made in the notarial deed of 29.06.2009,  
Notarial Register A number     /2009, made by Grażyna Marciniak – Morgut,  
Civil Law Notary of Notarial Office in Polkowice, ul. Browarna 12)

# ARTICLES OF ASSOCIATION OF JOINT STOCK COMPANY

## I. Preliminary Provisions

### § 1.

1. The Company shall operate as a joint stock company acting pursuant to the provisions of the Commercial Companies Code – the Act of 15 September 2000 (Journal of Laws Dz.U. No. 94, Item 1037, as amended) – hereinafter the “Commercial Companies Code” and the Articles of Association set out herein – hereinafter referred to as the “Company.”
2. The Company was established through transformation of the legal form of CCC Spółka z ograniczoną odpowiedzialnością [*CCC Limited Liability Company*] with its registered office in Polkowice Dolne into a joint stock company styled CCC Spółka Akcyjna [*CCC Joint Stock Company*].
3. The promoters of the Company are the Shareholders of CCC Spółka z ograniczoną odpowiedzialnością, i.e.: Dariusz Marek Miłek, Leszek Józef Gaczorek, Mariusz Kazimierz Gnych, Renata Miłek, Teresa Jadwiga Ziola, Lech Kazimierz Chudy, Wojciech Fenrich and Ryszard Dobrosik.

## II. Name and Registered Office. Life of the Company.

### § 2.

The Company acts under the name of NG2 Spółka Akcyjna [*NG2 Joint Stock Company*]. The Company may use its distinguishing logo.

### § 3.

1. The registered office of the Company shall be in Polkowice.
2. The Company shall operate within the Republic of Poland and abroad.
3. The life of the Company shall be unlimited.

### § 4.

The Company may open branches and representative offices at home and abroad and also participate in other Companies and business entities at home and abroad.

## III. Objects of the Company

### § 5.

1. According to the Polish Classification of Activities [*PKD*], the objects of the Company include:
  - 1) storage and warehousing services of other goods PKD-52.10.B;
  - 2) development of building projects related with constructing buildings PKD-41.10.Z;
  - 3) purchase and sale of real estate services with own property PKD-68.10.Z;

- 4) letting and management services of own property or leased property PKD-68.20.Z;
  - 5) property management services on a fee or contract basis PKD-68.32.Z;
  - 6) auxiliary activities related with maintaining and cleaning buildings PKD-81.10.Z;
  - 7) public relations and communication activities PKD-70.21.Z;
  - 8) business and other consultancy activities PKD-70.22.Z;
  - 9) packaging services PKD-89.92.Z;
  - 10) leather processing, tanning, fur tanning and processing PKD-15.11.Z;
  - 11) production of suit-cases, handbags and the like; saddlery and harness PKD-15.12.Z;
  - 12) production of footwear PKD-15.20.Z;
  - 13) production of other wooden products; production of cork, straw products and materials used for weaving PKD-16.29.Z;
  - 14) production of other rubber products PKD-22.19.Z;
  - 15) production of other plastic products PKD-22.29.Z;
  - 16) production of paper and cardboard PKD-17.12.Z;
  - 17) production of other articles of paper and cardboard PKD-17.29.Z;
  - 18) other printing services PKD-18.12.Z;
  - 19) production of plastic packaging products PKD-22.22.Z;
  - 20) construction of residential and non-residential buildings PKD-41.20.Z;
  - 21) installation work of electrical wiring PKD-43.21.Z;
  - 22) water plumbing and drain laying, central heating, gas and air conditioning installation work PKD-43.22.Z;
  - 23) other building installation work PKD-43.29.Z;
  - 24) other building completion work PKD-43.39.Z;
  - 25) other specialised construction activities, not elsewhere classified PKD-43.99.Z;
  - 26) wholesale trade services of textiles PKD-46.41.Z;
  - 27) wholesale trade services of clothing and footwear PKD-46.42.Z;
  - 28) retail trade services of clothing in specialised stores PKD-47.71.Z;
  - 29) retail trade services of footwear and leather goods in specialised stores PKD-47.72.Z;
  - 30) other monetary intermediation PKD-64.19.Z;
  - 31) financial leasing services PKD-64.91.Z;
  - 32) activities of financial holding companies PKD-64.20.Z;
  - 33) services relating to trusts, funds and similar financial institutions PKD-64.30.Z;
  - 34) other financial services not elsewhere classified, except for insurance and pension funds PKD-64.99.Z;
  - 35) security and commodity contracts brokerage PKD-66.12.Z;
  - 36) other auxiliary financial services, except for insurance and pension funds PKD-66.19.Z;
  - 37) other land passenger transportation services not elsewhere classified PKD-49.39.Z;
  - 38) repair of shoes and leather products PKD-95.23.Z.
2. Any modification of objects shall be made without buyout of shares of those Shareholders who disagree to that modification if the resolution of the General Meeting is adopted by the majority of two thirds of votes in the presence of persons representing at least half of the share capital.
  3. For any business that requires any permits or licenses, the Company shall apply for them.

## **IV. Share Capital of the Company**

### **§ 6.**

1. The share capital of the Company is PLN 3,840,000.00 (three million, eight hundred forty thousand).
2. The share capital is divided into 38,400,000 (thirty eight million, four hundred thousand) shares of a par value of PLN 0.10 (ten grosz) each, specifically:
  - 1) 6,700,000 (six million, seven hundred thousand) preference registered shares of A<sub>1</sub> series, numbered 0.000.001 to 6.700.000;
  - 2) 13,550,000 (thirteen million, five hundred fifty thousand) ordinary bearer shares of A<sub>2</sub> series, numbered 00.000.001 to 13.550.000;
  - 3) 9,750,000 (nine million, seven hundred fifty thousand) ordinary bearer shares of B series, numbered 0.000.001 to 9.750.000;
  - 4) 2,000,000 (two million) ordinary bearer shares of C series, numbered 0.000.001 to 2.000.000; and
  - 5) 6,400,000 (six million, four hundred thousand) ordinary bearer shares of D series, numbered 0.000.001 to 6.400.000.
3. Registered shares of A<sub>1</sub> series have voting privileges attached so that one share of that series entitles to two votes.
4. The share capital was fully paid up before registration of the Company with the Register of Entrepreneurs.
5. Shares of new issues may be registered shares or shares made to bearer.
6. There is no option to exchange bearer shares into registered shares.
7. The Company may issue bonds convertible into shares and bonds with pre-emptive right.

### **§ 7.**

1. Shareholders have the pre-emptive right to acquire preference registered shares intended for sale.
2. Any Shareholder intending to sell preference registered shares has a duty to give a written notice to all remaining Shareholders holding preference registered shares and to the Management Board of the Company, providing the name of purchaser, number of shares intended for sale and price set for them. The notice should include a letter of authorisation for the Company to receive statements of exercise of pre-emptive right.
3. In the event of intention to sell shares, the purchase price per share in exercise of pre-emptive right shall be equal to the sale price declared in the notice referred to in Sub-par. 2, which, however, cannot exceed:
  - 1) Amount of book value per share as agreed by the Company by reliance on the most recent financial statements of the Company that have been verified by statutory auditor; or
  - 2) Average stock exchange price of ordinary bearer shares for the last three months immediately preceding the month of notice referred to in Sub-par. 2 – in the event that shares have been admitted to public trading in securities.
4. Shareholders may exercise the pre-emptive right within 14 (fourteen) days of receiving the notice by delivering directly to the Management Board of the

Company their statements of exercise of pre-emptive right, in accordance with the terms laid down in the Articles.

5. In the event that statements of exercise of the pre-emptive right refer to the number of shares exceeding those offered for sale, the Management Board of the Company will reduce that number pro rata to the number of shares declared in statements of exercise of the pre-emptive right and, secondly, to the number of preference registered shares held by those Shareholders who exercise the pre-emptive right.
6. Within 7 (seven) days after expiration of the deadline for submission of statements of exercise of the pre-emptive right referred to in Sub-par. 3, the Management Board of the Company will compile a list of persons who made such statements and forward it to the Shareholder intending to sell shares and to Shareholders exercising the pre-emptive right. The list will specify persons exercising the pre-emptive right and the assignment of quantity and number of shares purchased.
7. The deadline for payment for shares acquired in exercise of pre-emptive right is 90 (ninety) days counted from the distribution of the list referred to in Sub-par. 5 above among the interested parties by the Management Board of the Company. In the event that no payment is made within the deadline for payment for shares, the Shareholder may sell all or any of them to any purchaser nominated in the notice and on the terms and conditions laid down therein.
8. In the event that the pre-emptive right is not exercised with respect to all or any shares intended for sale, the transfer of ownership of preference registered shares shall require permission of the Management Board of the Company. A decision to grant permission should be made within 30 (thirty) days after submission of a written request. Such a request should nominate the identity of purchaser, quantity of shares subject to purchase and price agreed for shares. If the deadline set in the preceding sentence expires without their decision, it shall be equal to the grant of permission to sell shares.
9. If the permission to sell preference registered shares is denied, the Management Board of the Company should nominate a purchaser or purchasers of shares within 50 (fifty) days of delivery of the Shareholder's request. The purchaser nominated by the Company is obligated to purchase preference registered shares and pay the price within 50 (fifty) days of his nomination by the Management Board of the Company.
10. The share purchase price for a third party nominated by the Management Board in compliance with the foregoing Sub-paragraph will be equal to the sale price declared in the request referred to in Sub-par. 8, however, no more than the amounts defined, as appropriate, in accordance with Sub-par. 3 (1) and (2).
11. In the event that no purchaser of preference registered shares referred to in Sub-par. 8 is nominated and such a purchaser fails to purchase shares or to pay the price, the Shareholder interested in selling preference registered shares may sell those shares to the person and on the terms stated in the request referred to in Sub-par. 8.
12. The sale of preference registered shares in breach of obligations set out in the foregoing sub-paragraphs shall be null and void vis-à-vis the Company, subject to Sub-par. 13.
13. The compliance with obligations set out in Sub-par. 1 to 12 is not required to sell preference registered shares to ascendants, descendants or spouses, or to other Shareholders holding preference registered shares.

## **§ 8.**

1. The Company's shares may be redeemed in accordance with the terms set out by the General Meeting.
2. The detailed terms of share redemption shall be determined by the General Meeting in a resolution.

## **V. GOVERNING BODIES OF THE COMPANY**

### **§ 9.**

The governing bodies of the Company are:

- Management Board;
- Supervisory Board; and
- General Meeting.

### **Management Board**

### **§ 10.**

1. The Management Board consists of one to seven members, including President of the Management Board, and, in the event that the Management Board consists of more than one member – Vice President of the Management Board or Vice Presidents of the Management Board.
2. Members of the Management Board are appointed and removed by the Supervisory Board, provided that members of the initial Management Board have been appointed in the course of transformation of the Company's legal form by its Shareholders.
3. The number of members of the Management Board for each term of office is determined by the Supervisory Board electing Members to the Management Board.
4. The term of office of the Management Board is three years. Members of the Management Board are appointed for the joint term of office.
5. A member of the Management Board may resign from the function at any time. The resignation must be tendered in writing to the Chairperson of the Supervisory Board and notified to the remaining members of the Management Board.

### **§ 11.**

The power to represent the Company vis-à-vis third parties is vested in:

- 1) President of the Management Board – alone;
- 2) Two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy.

### **§ 12.**

1. Each member of the Management Board may alone act on business within the scope of ordinary management without a prior resolution. Business which requires a prior resolution of the Management Board will be defined in the Regulations of the Management Board as referred to in Sub-par. 4.

2. Resolutions of the Management Board are adopted by the absolute majority of votes. In the event of a tie vote, the President of the Management Board has a casting vote.
3. The President of the Management Board directs the work of the Management Board and, without limitation, coordinates, oversees and organises work of members of the Management Board and also convenes and chairs meetings of the Management Board. During the absence of President of the Management Board, those responsibilities are fulfilled by Vice President of the Management Board or a member of the Management Board designated by President of the Management Board.
4. The detailed scope of rights and responsibilities of the Management Board and its proceedings are set forth in the Regulations of the Management Board. The Regulations of the Management Board are adopted by the Management Board and approved by the Supervisory Board.

### **Supervisory Board**

#### **§ 13.**

1. The Supervisory Board consists of five to seven members who are appointed and removed by the General Meeting for the joint term of office of two years.
2. The General Meeting defines the number of members of the Supervisory Board for a given term of office while making their election.
3. A member of the Supervisory Board should have adequate education, professional and life experience, demonstrate high moral standards and be able to devote sufficient time as necessary for proper performance of his or her functions on the Supervisory Board. Candidates for members of the Supervisory Board should be proposed with detailed reasons to allow making an informed choice.
4. At least one half of members of the Supervisory Board should be independent. Independent members of the Supervisory Board should be free and clear of any ties to the Company or its Shareholders or employees that might materially affect the independent members' ability to make impartial decisions.
5. In the event that one Shareholder holds the stake entitling him or her to over 50% of total votes at the General Meeting, the Supervisory Board may have less than one half of independent members, however, no less than two.
6. Independent members of the Supervisory Board and persons close to them (spouse, ascendants and descendants) should satisfy the following criteria:
  - a) They are not or have not been employed by the Company, its subsidiary undertakings or parent company for the last five years;
  - b) They are not or have not been employed by the Company, its subsidiary undertakings or parent company in the capacity of member of the Management Board or other executive post for the last five years;
  - c) They receive no additional emoluments (other than due for serving as member of the Supervisory Board) or any property rewards from the Company, its subsidiary undertakings or parent company;
  - d) They are not shareholders holding, directly or indirectly, shares in excess of 10% of total votes at the General Meeting, or are not representatives, members of management or supervisory boards or employees on executive posts at that shareholder;
  - e) They are not or have not been auditors of the Company, its subsidiary undertakings or parent company for the last three years, or employees of any provider of audit services for the Company;

- f) They have or had no family ties with any members of the Company's Management Board, the Company's employees on executive posts, legal counsellors or majority shareholder for the last three years;
  - g) They have or had no material business relations with the Company, directly or indirectly, as a partner, significant shareholder, officer or executive for the last year;
  - h) They have not been members of the Company's Supervisory Board for more than 12 years counted from the date of their first election; and
  - i) They are not members of management board of any other company in which a member of the Company's Management Board is a member of the Supervisory Board of that other company.
7. Members of the Supervisory Board may deem that a given member of the Supervisory Board is independent despite his or her failure to fulfil any of the criteria set out in Sub-par. 6, and also that, notwithstanding their fulfilment, other circumstances indicate that he or she is not eligible for such a status.
  8. Without approval of at least one independent member of the Supervisory Board, resolutions should not be passed on the following matters:
    - a) Any kind of performance for members of the Management Board from the Company or any related party of the Company;
    - b) Grant of consent to execution of a significant agreement by the Company or its subsidiary undertaking with any related party of the Company, a member of the Supervisory or Management Board or any party related to the foregoing members; and
    - c) Selection of statutory auditor to audit financial statements of the Company.

#### **§ 14.**

Chairperson of the Supervisory Board is appointed by the General Meeting. The General Meeting may remove any member of the Supervisory Board from the office of Chairperson of the Supervisory Board and, at the same time, offer that function to another member of the Supervisory Board.

#### **§ 15.**

1. The Supervisory Board proceeds on the basis of the Regulations adopted by it and approved by the General Meeting.
2. President of the Management Board may participate in meetings of the Supervisory Board. Also other persons invited by the Chairperson of the Supervisory Board may attend such meetings.
3. Members of the Supervisory Board may participate in adoption of resolutions of the Supervisory Board by casting their votes via other member of the Supervisory Board. Voting in writing cannot apply in matters added to the agenda during a meeting of the Supervisory Board.
4. Members of the Supervisory Board may adopt resolutions in writing or with the use of means of direct long-distance communication. A resolution is valid provided that all members of the Supervisory Board have been notified of the text of draft resolution.
5. The detailed terms and procedure for adoption of resolutions referred to in § 15 (3) and (4) are set forth in the Regulations of the Supervisory Board.
6. Resolutions of the Supervisory Board are passed by the absolute majority of votes of members of the Supervisory Board.



## **§ 16.**

1. The Supervisory Board exercises permanent supervision over operations of the Company.
2. The responsibilities of the Supervisory Board include:
  1. Appointment and removal of members of the Company's Management Board;
  2. Review of financial statements of the Company, the Management Board's report on operations of the Company and its proposals as to division of profits and losses, and also submission of annual reports on results of their review to the General Meeting;
  3. Selection of statutory auditor to audit financial statements of the Company;
  4. Determining the rules of remuneration of members of the Management Board of the Company;
  5. Representation of the Company in contracts and disputes between the Company and members of the Management Board, unless a proxy is appointed to that end by the General Meeting;
  6. Approval of the Regulations of the Management Board;
  7. Approval of the Rules of Organisation; and
  8. Approval of the financial plan prepared by the Management Board;

## **General Meeting**

## **§ 17.**

General Meetings are held in the registered office of the Company, in Warsaw or in Wrocław.

## **§ 18.**

In addition to matters set forth in the laws, excluding purchase and sale of real estate, perpetual usufruct or interest in immovable property, and as set out in other Articles, the responsibilities of the General Meeting include:

- 1) Election and removal of members of the Supervisory Board;
- 2) Approval of the Regulations of the Supervisory Board;
- 3) Determining the rules of remuneration of the Supervisory Board; and
- 4) Determining the amount of emoluments of members of the Supervisory Board delegated to exercise permanent oversight on an individual basis.

## **VI. FINANCIAL MANAGEMENT OF THE COMPANY**

### **§ 19.**

1. The Company establishes a spare capital to cover balance-sheet losses. 8% of annual net profit will be transferred to the spare capital until that capital is equal to at least 1/3 of the share capital.
2. The General Meeting may decide on establishment of other reserve to cover specific losses or expenditures (capital reserve).
3. The General Meeting determines how such a capital reserve is to be used.

### **§ 20.**

The financial year of the Company coincides with calendar year, however, the first financial year shall end on the last day of calendar year during which CCC Spółka Akcyjna is registered with the Register of Entrepreneurs.

### **§ 21.**

The Management Board is authorised, subject to approval of the Supervisory Board, to pay interim dividend to the Shareholders on account of dividend expected at the end of financial year, provided that the Company has sufficient funds for its distribution.

| <b>SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD</b> |                                    |  |
|--|------------------------------------|--|
| Dariusz Milek  | President of Management Board      |  |
| Lech Chudy   | Vice President of Management Board |  |
| Mariusz Gnych  | Vice President of Management Board |  |
| Piotr Nowjalis   | Vice President of Management Board |  |