

# **Current Report No. 8/2018**

*(Wednesday, 21 November 2018)*

## **Draft resolutions for the Annual General Meeting of Shareholders**

The Management Board of AB S.A with its registered office in Magnice hereby publishes draft resolutions for the Annual General Meeting of Shareholders convened for 20 December 2018.

Draft resolutions are included in the attachment to this report.

*Legal basis: Art. 56.1.2 of the Act on Public Offering – ongoing and periodic information and Art. 19.1.2 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodical disclosure of information by issuers of securities and on conditions under which information required by legal regulations of a non-Member State may be recognised as equivalent (consolidated text: Journal of Laws of 2018, item 757).*

**DRAFT RESOLUTIONS FOR THE ANNUAL GENERAL  
MEETING OF AB SPÓŁKA AKCYJNA WITH ITS  
REGISTERED OFFICE IN MAGNICE ON 20 DECEMBER 2018**

**Resolution No. 1/2018**  
of the Annual General Meeting of:  
**AB Spółka Akcyjna**  
with its registered office in Magnice  
of 20 December 2018  
on the election of the Chairperson of the General Meeting

The Annual General Meeting resolves to appoint ..... as  
Chairperson of the Annual General Meeting

**Resolution No. 2/2018**  
of the Annual General Meeting of:  
**AB Spółka Akcyjna**  
with its registered office in Magnice  
of 20 December 2018  
on the election of the Returning Committee

The Annual General Meeting resolves to appoint the following persons to the Returning  
Committee:

.....

**Resolution No. 3/2018**  
of the Annual General Meeting of:  
**AB Spółka Akcyjna**  
with its registered office in Magnice  
of 20 December 2018  
on approving the agenda of the meeting

The Annual General Meeting of AB S.A. resolves to adopt the agenda of the Annual General  
Meeting.

**Resolution No. 4/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The Annual General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice approves the report of the Supervisory Board on its activities in the financial year 2017/2018 which contains evaluation of the Management Board's report on the Company's operations for 2017/2018 and financial statements for the financial year 2017/2018, evaluation of the Management Board's report on the operations of the Group of AB Spółka Akcyjna and the consolidated financial statements for the financial year 2017/2018, the Management Board's motion regarding profit distribution and concise evaluation of the Company's situation, including the evaluation of the Company's risk management system and internal control system.

**Resolution No. 5/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice approves the report of the Management Board on the Company's company operations for 2017/2018 and the financial statements for the financial year 2017/2018.

**Resolution No. 6/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice approves the report on operations of the Group of AB Spółka Akcyjna in 2017/2018 and the

consolidated financial statements of the Group of AB Spółka Akcyjna for the financial year 2017/2018.

**Resolution No. 7/2018**  
**of the Annual General Meeting of:**  
**AB SPÓŁKA AKCYJNA**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice resolves as follows:

1. The General Meeting distributes the profit of AB SPÓŁKA AKCYJNA with its registered office in Magnice for the financial year 2017/2018 in the amount of PLN 41,759 857.03 (forty one million seven hundred fifty nine thousand eight hundred and fifty seven zlotys and 03/100) as follows:
  - a) The amount of PLN 15,000,000 (fifteen million) is excluded from the distribution among the shareholders and allocated to purchase the Company's treasury shares, including coverage of the costs of purchase of the Company's treasury shares. To this end, the General Meeting resolves to create a reserve capital – “reserve capital for the purchase of treasury shares” in the amount of PLN 15,000,000 (fifteen million) to finance the purchase of treasury shares, including the costs of their purchase, carried out on the basis of this resolution. The General Meeting resolves to transfer the aforementioned amount from the profit for the financial year 2017/2018 to the created reserve capital;
  - b) The remaining amount of PLN 26,759,857.03 (twenty-six million seven hundred fifty-nine thousand eight hundred and fifty-seven zlotys and 03/100) shall be excluded from the distribution among shareholders and allocated to the reserve capital.
2. Acting pursuant to Art. 362.1.8 of the Code of Commercial Companies, the General Meeting hereby authorises the Management Board to take all factual and legal actions regarding the Company's purchase of its treasury shares for the purpose of their redemption, subject to the terms and conditions set out in this resolution.
3. This authorisation covers the bearer shares of the Company, dematerialised, admitted to trading on a regulated market operated by the Warsaw Stock Exchange and marked with the ISIN code: PLAB00000019.

4. The Management Board is authorised, on behalf of and for the benefit of the Company, to purchase treasury shares in the total number not exceeding 3,237,528 (three million two hundred thirty seven thousand five hundred and twenty eight) shares, i.e. 20% of the Company's share capital, with a total nominal value not greater than PLN 3,237,528 (three million two hundred thirty-seven thousand five hundred and twenty-eight zlotys) by 20 December 2021, but no longer than until the funds allocated for that purpose have been exhausted.
5. The subject of purchase may be fully paid shares.
6. The price of the purchased shares may not be lower than PLN 1 (one zloty) per share and not higher than PLN 30 (thirty zlotys) per share.
7. The total purchase price of treasury shares, increased by the purchase costs, during the authorisation period, may not be higher than the reserve capital created for this purpose in accordance with para. 1.a) hereof.
8. The shares may be purchased:
  - a) as part of transactions executed on the regulated market operated by the Warsaw Stock Exchange
  - b) outside the regulated market – under of one or more calls for tenders to sell shares, which will be addressed to all shareholders of the Company holding bearer shares.
9. In the case referred to in para. 8.b):
  - a) the purchase of shares may take place at a price determined by the Management Board, taking into account the provisions of para. 6, and the price shall be the same for all shares purchased under a given call for tender to sell shares;
  - b) The Management Board shall determine the number of shares acquired under a given call for tender to sell shares, taking into account para. 4;
  - c) The Management Board or an investment company referred to in para. 11 hereof shall calculate the number of shares that the Company will repurchase under a given call for tender from each shareholder who will submit an offer to sell shares using a proportional reduction.
10. Purchase of own shares may take place directly by the Company or through an investment company selected by the Management Board.
11. The General Meeting hereby authorises the Management Board of the Company to set detailed terms and conditions for the purchase of treasury shares to the extent not provided hereunder, including the conclusion of an agreement with an investment company on the purchase of treasury shares and the conclusion of purchase agreements with individual shareholders. The General Meeting authorises the Management Board to

adopt a share buyback programme within the limits and on the basis of this resolution.

12. The Company's own shares will be redeemed by way of reduction of the share capital.

**Resolution No. 8/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice acknowledges the fulfilment of duties by Mr. Andrzej Przybyło, President of the Management Board, in the financial year 2017/2018.

**Resolution No. 9/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice acknowledges the fulfilment of duties by Mr. Zbigniew Mądry, member of the Management Board, in the financial year 2017/2018.

**Resolution No. 10/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice acknowledges the fulfilment of duties by Mr. Grzegorz Ochędzan, member of the Management Board, in the financial year 2017/2018.

**Resolution No. 11/2018**  
**of the Annual General Meeting of:**

**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice acknowledges the fulfilment of duties by Mr. Krzysztof Kucharski, member of the Management Board, in the financial year 2017/2018.

**Resolution No. 12/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice acknowledges the fulfilment of duties by Ms. Iwona Przybyło, Chairperson of the Supervisory Board, in the financial year 2017/2018.

**Resolution No. 16/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Wrocław acknowledges the fulfilment of duties by Mr. Jacek Łapiński, member of the Supervisory Board, in the financial year of 2017/2018.

**Resolution No. 14/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice acknowledges the fulfilment of duties by Mr. Andrzej Grabiński, member of the Supervisory

Board, in the financial year 2017/2018.

**Resolution No. 15/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice acknowledges the fulfilment of duties by Mr. Jakub Bieguński, member of the Supervisory Board, in the financial year 2017/2018.

**Resolution No. 16/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice acknowledges the fulfilment of duties by Mr. Jerzy Baranowski, member of the Supervisory Board, in the financial year 2017/2018.

**Resolution No. 17/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice acknowledges the fulfilment of duties by Mr. Marek Ćwir, member of the Supervisory Board, in the financial year 2017/2018.

**Resolution No. 18/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**

**with its registered office in Magnice  
of 20 December 2018**

The Ordinary General Meeting of AB SPÓLKA AKCYJNA with its registered office in Magnice resolves to expand the Company's business – therefore it amends Art. 4.1 of the Company's Articles of Association, which shall have the following wording:

- “1. The business objects of the Company include: -----
1. 46.51.Z Wholesale of computers, peripheral devices, and software.-----
  2. 46.52.Z Wholesale of electronic and telecommunications equipment and parts.-----
  3. 47.41.Z Retail sale of computers, peripheral units, and software in specialised stores.-----
  4. 47.42.Z Retail sale of telecommunications equipment in specialised stores.-----
  5. 47.43.Z Retail sale of audio and video equipment in specialised stores.-----
  6. 46.14.Z Agents involved in the sale of machinery, industrial equipment, ships and aircraft.-----
  7. 95.11.Z Repair and maintenance of computers and peripheral equipment.-----
  8. 95.12.Z Repair and maintenance of (tele)communication equipment.-----
  9. 95.21.Z Repair and maintenance of consumer electronics.-----
  10. 62.02.Z Computer consultancy activities -----
  11. 11. 62.01.Z Computer programming activities.-----
  12. 62.09.Z Other information technology and computer service activities.-----
  13. 52.10.B Warehousing and storage of other goods -----
  14. 49.41.Z Freight transport by road.-----
  15. 52.29.C Other transportation support activities -----
  16. 73.11.Z Advertising agencies.-----
  17. 73.12.A Intermediation in the sale of time and space for advertising purposes in the radio and television-----
  18. 73.12.B Intermediation in the sale of space for advertising purposes in printed media-----
  19. 73.12.C Intermediation in the sale of time and space for advertising purposes in electronic media (Internet).-----
  20. 73.12.D Intermediation in the sale of time and space for advertising purposes in other media-----
  21. 58.19.Z Other publishing activity.-----
  22. 18.12.Z Other printing.-----
  23. 68.20.Z Renting and operating of own or leased real estate.-----

24. 85.59 B Other out-of-school forms of education, not elsewhere classified.-----
25. 62.03.Z Computer facilities management activities -----
26. 85.60.Z Educational support activities.-----
27. 70.22.Z Business and other management consultancy activities.-----
28. 74.90.Z Other professional, scientific, and technical activities not elsewhere classified.---
29. 33.20.Z Installation of industrial machinery and equipment -----
30. 62.01.Z Computer programming activities -----
31. 64.92.Z Other credit granting.-----
32. 64.91.Z Financial leasing.-----
33. 64.99.Z Other financial service activities, except insurance and pension funding, not elsewhere classified.”-----

**Resolution No. 19/2018**  
**of the Annual General Meeting of:**  
**AB Spółka Akcyjna**  
**with its registered office in Magnice**  
**of 20 December 2018**

The Annual General Meeting of AB SPÓŁKA AKCYJNA with its registered office in Magnice hereby adopts the consolidated text of the Company's Articles of Association with the amendments introduced by Resolution 18/2018 by the Annual General Meeting on this day, in the following wording:

**ARTICLES OF ASSOCIATION OF JOINT STOCK COMPANY "AB S.A."**  
CONSOLIDATED TEXT

**ARTICLES OF ASSOCIATION**

**I. GENERAL PROVISIONS**

**Article 1**

The name of the Company is: **"AB Spółka Akcyjna"**. The Company may use an abbreviated name of **"AB S.A."** and its own logotype. -----

**Article 2**

1. The Company has its registered office in Magnice. -----

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2. The founders of the Company are as follows: -----

1) Andrzej Przybyło, residing in Wrocław, at ul. Rogowska 144/9, -----

2) Iwona Przybyło, residing in Wrocław, at ul. Rogowska 144/9, -----

3) Polish Enterprise Fund, L.P., with its registered office at 375 Park Avenue, New York 10152, US, -----

hereinafter referred to as the **"Founders"**. -----

**Article 3**

1. The Company operates in the territory of the Republic of Poland and abroad. -----

2. The Company may establish and operate branches, plants, representative offices, and other organisational units and participate in other companies and entities in the territory of the Republic of Poland and abroad. -----

3. The duration of the Company is unlimited. -----

**II. THE COMPANY'S BUSINESS OBJECTS**

**Article 4**

1. The business objects of the Company include: -----

34. 46.51.Z Wholesale of computers, peripheral devices, and software. -----
35. 46.52.Z Wholesale of electronic and telecommunications equipment and parts. -----
36. 47.41.Z Retail sale of computers, peripheral units, and software in specialised stores. -  
-
37. 47.42.Z Retail sale of telecommunications equipment in specialised stores. -----
38. 47.43.Z Retail sale of audio and video equipment in specialised stores. -----
39. 46.14.Z Agents involved in the sale of machinery, industrial equipment, ships and  
aircraft. -----
40. 95.11.Z Repair and maintenance of computers and peripheral equipment. -----
41. 95.12.Z Repair and maintenance of (tele)communication equipment. -----
42. 95.21.Z Repair and maintenance of consumer electronics. -----
43. 62.02.Z Computer consultancy activities -----
44. 44. 62.01.Z Computer programming activities. -----
45. 62.09.Z Other information technology and computer service activities. -----
46. 52.10.B Warehousing and storage of other goods -----
47. 47. 49.41.Z Freight transport by road. -----
48. 52.29.C Other transportation support activities. -----
49. 73.11.Z Advertising agencies. -----
50. 73.12.A Intermediation in the sale of time and space for advertising purposes in the  
radio and television -----
51. 73.12.B Intermediation in the sale of space for advertising purposes in printed media
52. 73.12.C Intermediation in the sale of time and space for advertising purposes in  
electronic media (Internet). -----
53. 73.12.D Intermediation in the sale of time and space for advertising purposes in other  
media-----
54. 58.19.Z Other publishing activity.-----
55. 18.12.Z Other printing.-----
56. 68.20.Z Renting and operating of own or leased real estate.-----
57. 85.59 B Other out-of-school forms of education, not elsewhere classified.-----
58. 62.03.Z Computer facilities management activities 59. 85.60.Z Educational support  
activities.-----
60. 70.22.Z Business and other management consultancy activities.-----
61. 74.90.Z Other professional, scientific, and technical activities not elsewhere  
classified.-----

- 62. 33.20.Z Installation of industrial machinery and equipment -----
- 63. 62.01.Z Computer programming activities -----
- 64. 64.92.Z Other credit granting. -----
- 65. 64.91.Z Financial leasing.-----
- 66. 64.99.Z Other financial service activities, except insurance and pension funding, not elsewhere classified.”-----

- 2. Business operations that subject to applicable regulations require a concession or a licence shall be taken up by the company once such concession or licence is obtained. -----
- 3. Any modification to the business objects requires a resolution of the General Meeting approved with minimum two thirds votes in the presence of persons representing minimum one half of the share capital. The effectiveness of the resolution shall not be subject to purchase of shares from those shareholders that oppose the modification. -----

### III. CAPITAL AND SHARES

#### Article 5

- 1. The Company's share capital amounts to PLN 16,187,644 (sixteen million one hundred eighty seven thousand six hundred and forty four zlotys). The Company's share capital shall be divided into 16,187,644 (sixteen million one hundred eighty seven thousand six hundred and forty four) shares with the nominal value of PLN 1.00 (one zloty) each, including:-----
  - 1) 2,729,971 (two million seven hundred twenty nine thousand nine hundred and seventy one) series A1 ordinary bearer shares,-----
  - 2) 1,313,000 (one million three hundred thirteen thousand) series B privileged registered shares,-----
  - 3) 1,674,771 (one million six hundred seventy four thousand seven hundred and seventy one) series C ordinary registered shares,-----
  - 4) 202,000 (two hundred two thousand) series D bearer shares, -----
  - 5) 1,764,621 (one million seven hundred sixty four thousand six hundred and twenty one) series E ordinary bearer shares,-----
  - 6) 1,600,000 (one million six hundred thousand) series F ordinary bearer shares,-----
  - 7) 4,250,000 (four million two hundred fifty thousand) series I ordinary bearer shares, --
  - 8) 1,069,294 (one million sixty nine thousand two hundred and ninety four) series C1 ordinary bearer shares.-----
  - 9) 115,000 (one hundred fifteen thousand) series K ordinary bearer shares,-----

- 10) 269,000 (two hundred sixty nine thousand) series G ordinary bearer shares,-----
- 11) 1,199,987 (one million one hundred ninety nine thousand nine hundred and eighty seven) series C2 ordinary bearer shares. -----

**1a.** Pursuant to the resolution of the General Meeting number 22/2006 of 30 May 2006, the share capital was conditionally increased by a maximum amount of PLN 290,000 (two hundred ninety thousand zlotys) by issue of maximum 290,000 (two hundred ninety thousand) series G bearer shares.

**1b.** As long as series B shares are held by Mr. Andrzej Przybyło they shall be privileged with respect to voting rights in such a way that every series B share shall carry two votes at General Meetings. The privileged character of all series B shares shall expire: (i) when at least one B series share is transferred to any person other than Mr. Andrzej Przybyło, unless the ownership of registered B-series shares is transferred to the spouse or descendants of Mr. Andrzej Przybyło, or unless they are acquired through inheritance by Mr. Andrzej Przybyło's heirs.-----

**1.c.** Pursuant to the resolution of the General Meeting number 19/2007 of 21 September 2007 the share capital was conditionally increased by a maximum amount of PLN 5,355,710 (five million three hundred fifty five thousand seven hundred and ten zlotys), by issue of maximum 5,355,710 (five million three hundred fifty five thousand seven hundred and ten) series I bearer shares.-----

**1.d.** Pursuant to the resolution of the General Meeting number 22/2007 of 21 September 2007 the share capital was conditionally increased by a maximum amount of PLN 402,000 (four hundred two thousand zlotys) by issue of maximum 402,000 (four hundred and two thousand) series J bearer shares.-----

**1.e.** Pursuant to the resolution of the General Meeting number 25/2007 of 21 September 2007 the share capital was conditionally increased by a maximum amount of PLN 115,000 (one hundred and fifteen thousand zlotys) by issue of maximum 115,000 (one hundred and fifteen thousand) series K bearer shares.-----

**2.** The company may issue registered shares and bearer shares. All series B and series C shares are registered shares. All series A1, C1, C2, D, E, F, G, I, and K shares are bearer shares. -----

**3.** Bearer shares may not be converted into registered shares. Registered shares may be converted into bearer shares upon request of a shareholder by way of a resolution of the Management Board which shall be taken within 14 (fourteen) days from the submission of a

written request to the Management Board requesting such conversion. The request shall specify the number of registered shares to be converted and their numbers. If registered shares are converted into bearer shares, the Management Board shall include an item of the agenda of the next General Meeting amending the Articles of Association with respect to the number of the registered shares. The Management Board's resolution referred to above shall be effective as of the moment of expressing consent by the Supervisory Board to conversion of registered shares into bearer shares. -----

4. The share capital may be increased by issue of new shares or by increase of the nominal value of the shares subject to the resolution of the General Meeting. The existing shareholders shall have the right of first refusal to acquire shares of new issues in proportion to their respective holdings. -----

5. Shares may be redeemed subject to consent by a shareholder by way of purchase by the Company (voluntary redemption). The terms and conditions and the mode of such voluntary redemption shall be specified in a relevant resolution of the General Meeting. -----

**IV SALE OF SHARES**

**Article 6**

Shares may be sold. -----

**Article 7**

(deleted)

**V. COMPANY'S AUTHORITIES**

**Article 8**

The authorities of the Company are as follows: -----

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

**A. MANAGEMENT BOARD OF THE COMPANY**

**Article 9**

1. The Company's Management Board shall be composed of one to seven members,

including the President of the Management Board, appointed and dismissed by the Supervisory Board. -----

2. The term of office of the Management Board shall be common and shall last four years. ----

3. The operations of the Management Board and split of responsibilities among the members of the Management Board shall be set forth in the Regulations of the Management Board, accepted by the Management Board and approved by the Supervisory Board. -----

**Article 10**

1. The Company’s Management Board manages and represents the Company. -----

2. All matters related to management of the Company’s business that are not reserved by law or these Articles of Association to be within the competences of the General Meeting or the Supervisory Board shall fall within the competences of the Management Board. Before performing any operation that, pursuant to the Code of Commercial Companies or these Articles of Association, requires a resolution of the Supervisory Board or of the General Meeting, the Management Board shall apply for a relevant approval to the Supervisory Board or to the General Meeting of the Company. -----

3. If the Management Board is composed of more than one person, statements of intent on behalf of the Company may be made by the President of the Management Board acting solely, by two Members of the Management Board acting jointly, or by a Member of the Management Board acting jointly with a proxy. -----

**Article 11**

1. Individual or all members of the Company’s Management Board may be suspended for valid reasons by way of a resolution of the Supervisory Board. -----

2. In contracts between the Company and a member of the Management Board and in disputes between a member of the Management Board and the Company, the Company shall be represented by the Supervisory Board or a proxy nominated by a resolution of the General Meeting. -----

**B. SUPERVISORY BOARD**

**Article 12**

1. The Supervisory Board shall consist of six members, appointed and dismissed by the General Meeting, subject to para. 3 and 4 below. The Supervisory Board is authorised to make any decisions which fall within its competence provided that the Supervisory Board consists of at least three members, and from the moment of obtaining a status of a public company by the Company, of at least five members.-----
2. The Chairperson of the Supervisory Board shall be elected by the Supervisory Board from among its members. -----
3. As long as Iwona Przybyło and Andrzej Przybyło hold jointly shares in the Company entitling to minimum 10% of the overall number of votes at General Meetings, Iwona Przybyło and Andrzej Przybyło shall appoint and dismiss one member of the Supervisory Board. A statement by Iwona Przybyło and Andrzej Przybyło on appointment or dismissal of a member of the Supervisory Board shall be effective if signed by both of the authorised Shareholders. --
4. On the day when either of the persons specified in para. 3 ceases to be a Shareholder of the Company, the authority specified in para. 3 to appoint and dismiss members of the Supervisory Board shall be vested to the other person remaining a Shareholder of the Company. -----
5. Minimum two members of the Supervisory Board shall be Independent Members. Such Independent Members shall meet the following requirements: -----
  - 1) An Independent Member may not be a person who has been a member of the Company's Management Board or a proxy of the Company in the last five years, -----
  - 2) An Independent Member may not be a member of the top management of the Company or a related company and may not have occupied such position in the last three years. A member of the senior management team shall mean a manager or director of the Company's organisational unit who is a direct subordinate of the Company's Management Board or of specific members of the Company's Management Board. -----
  - 3) An Independent Member may not be paid from the Company or an affiliated entity any other remuneration apart from the remuneration for performing the function in the Supervisory Board, in particular for participating in an option scheme or any other performance-based incentive programme, -----
  - 4) An Independent Member may not be a shareholder of the Company holding more than 10% of the Company's share capital or a person related to such shareholder

or representing such shareholder, -----

5) An Independent Member may not be a person holding now or in the last year significant business relations with the Company or a related entity of the Company, directly or as a partner, shareholder, member of the management board, proxy or a member of the top management of an entity having such relations with the Company or a related entity of the Company. Significant business relations shall be understood as such when the value thereof exceeds 5% of the Company's revenues for the previous financial year, -----

6) An Independent Member may not be a person who now or in the last three years has been a partner or an employee of the present or former auditor of the Company, ----

7) An Independent Member may not be a member of the management board or proxy of another company in which the member of the Management Board or proxy of the Company is a member of the Supervisory Board, -----

8) An Independent Member may not perform functions in the Supervisory Board for more than three terms of office, -----

9) A spouse or member of immediate family of a member of the Management Board, proxy, or persons referred to in points 1) – 8) above shall not be an Independent Member. A member of immediate family shall mean consanguinity and affinity relatives up to the second degree. -----

6. The authority of the Shareholders to the Supervisory Board, referred to in para. 3 and 4 shall be exercised in the following way:-----

1) a member of the Supervisory Board shall be appointed by means of a written statement of a shareholder or shareholders submitted to the Company and such an appointment shall be effective as of the date of delivery of such a statement to the Company, unless the statement specifies a later date of appointment of a given member of the Supervisory Board; -----

2) a member of the Supervisory Board appointed by a shareholder or shareholders in the manner specified in point 1) above may be dismissed by them at any time. The dismissal of a member of the Supervisory Board shall be subject to the provisions of point 1) above. In order to be valid, such dismissal of a member of the Supervisory Board by the authorised shareholder shall require a simultaneous appointment of a new member of the Supervisory Board; -----

- 3) should the term of office of a member of the Supervisory Board appointed in accordance with para. 3 or 4 expire and should the authorised shareholder who has appointed such a member of the Supervisory Board fail to appoint a new member of the Supervisory Board in the place of such a dismissed member of the Supervisory Board within 14 days from the date of expiry of the term of office, then the General Meeting shall have the right to appoint such a new member of the Supervisory Board;-----
- 4) the authorised shareholder referred to in point 3) shall be entitled to dismiss such new member of the Supervisory Board appointed by the General Meeting in accordance with point 3). In order for a dismissal of such a member of the Supervisory Board to be effective, a new member of the Supervisory Board must be appointed. -----

### **Article 13**

1. The term of office of the Supervisory Board shall be common and shall last four years. ---
2. The Supervisory Board shall act on the basis of the regulations adopted by it and approved by the General Meeting. -----
3. A meeting of the Supervisory Board shall be convened and chaired by the Chairperson or, should the Chairperson be absent, by a Deputy Chairperson. The Chairperson of the Supervisory Board that leaves its office shall convene and open the first meeting of the newly-elected Supervisory Board. -----
4. Meetings of the Supervisory Board may be ordinary or extraordinary. Ordinary meetings shall be held minimum four times a year (quarterly). Extraordinary meetings may be convened at any time. -----
5. The Chairperson of the Supervisory Board or, should the Chairperson be absent, a Deputy Chairperson shall convene a meeting of the Supervisory Board on their own initiative or upon written request of the Management Board of the Company or a member of the Supervisory Board. The meeting shall be convened within two weeks from the submission of such request.
6. Meetings of the Supervisory Board shall be convened with 7 (seven) days' notice by registered letter and simultaneously by facsimile sent to those members of the Supervisory Board who wish to be informed in this way, unless all the members of the Supervisory Board give their consent for convention of the meeting without the said 7 (seven) days' notice. -----

7. Meetings of the Supervisory Board may be held by phone, in a way enabling mutual communication of all the members of the Supervisory Board participating in such a meeting. Resolutions adopted at such meeting shall be valid provided that the attendance list and minutes of a given meeting are signed by each participating member of the Supervisory Board. In such a case it is assumed that the meeting has been held and the minutes have been prepared in the place of stay of the Chairperson of the Supervisory Board or, in the case of their absence, in the place of stay of the Deputy Chairperson, if the meeting has been chaired by them. -----
8. To the extent permitted by the applicable law, resolutions of the Supervisory Board may be adopted by way of a written vote ordered by the Chairperson or, should the Chairperson be absent, by a Deputy Chairperson, provided that all the members of the Supervisory Board give their consent for the content of the resolutions or for voting in writing. A date of signing by the Chairperson, or Deputy Chairperson (if the voting in writing has been ordered by the Deputy Chairperson) shall be deemed to be the date of the resolution. -----
9. The members of the Supervisory Board shall have the right to participate in the adoption of the Supervisory Board's resolutions by casting their votes in writing through the agency of another member of the Supervisory Board. Voting via another member of the Supervisory Board shall not apply to issues introduced to the agenda during the meeting of the Supervisory Board. -----
10. The resolutions of the Supervisory Board shall be adopted by a simple majority of votes. Should the number of opposing votes be equal, the vote of the Chairperson of the Supervisory Board shall be decisive.-----
11. In order for the resolutions of the Supervisory Board to be valid, all members of the Supervisory Board have to be invited to the meeting in accordance with Article 13.6 above. --

## **Article 14**

1. The Supervisory Board shall exercise continuous supervision over the Company's operations. -----
2. In addition to other issues stipulated in the provisions of the Articles of Association or legal regulations, the special rights of the Supervisory Board shall include: -----
  - 1) examination of the balance sheet and of the profit and loss account, examination of the Management Board's reports and the Management Board's requests pertaining to

- profit distribution and loss coverage; -----
- 2) appointment and dismissal of members of the Company's Management Board and suspension of individual members or of the entire Management Board; -----
  - 3) approval of the Regulations of the Management Board; -----
  - 4) determination of the remuneration principles of the Management Board of the Company;
  - 5) approval of the appointment of a Proxy; -----
  - 6) approval of annual financial plans (budget) and strategic economic plans (business plans) of the Company; the budget should include at least one operational plan of the Company, the plan of revenues and costs for a given financial year (with respect to the entire year and to individual calendar months), balance sheet forecast for the end of the financial year, plan of cash flow for the financial year (with respect to the entire year and to individual calendar months), and plan of Company's expenditures other than usual costs of operation; -----
  - 7) granting approval for incurring obligations by the Company or the Company's subsidiaries, related to a single transaction or a series of related transactions with the total value exceeding, in a single financial year, the equivalent of EUR 200,000.00 (two hundred thousand euros), not provided for in the budget approved in accordance with the provisions of the Company's Articles of Association and which are activities that go beyond ordinary management. Provided that  
“Equivalent” shall mean an equivalent in PLN or in another exchangeable currency expressed in EUR, converted at the mean EUR exchange rate and mean exchange rate of the currency other than PLN published by the President of the National Bank of Poland on the date immediately preceding the date on which the Management Board of the Company submits a request to the Supervisory Board for approving such a transaction,---
  - 8) granting approval for incurring loans or credits or issuing debt securities by the Company or the Company's subsidiaries, if as a result, the total value of the Company's debt would exceed the equivalent of EUR 8,000,000.00 (eight million euros); -----
  - 9) granting approval for issuing sureties by the Company or the Company's subsidiary and for incurring guarantee obligations and other off-balance sheet obligations by the Company or the Company's subsidiary, not provided for in the budget approved in accordance with the provisions of the Company's Articles of Association, except for the operations to secure the Company's own liabilities;-----
  - 10) granting approval for establishing a pledge, mortgage, or transfer of title to secure a debt or other charges to the assets of the Company or the Company's subsidiaries, not

provided for in the budget approved in accordance with provisions of the Company's Articles of Association; -----

- 11) granting approval for expenditures of the Company or the Company's subsidiaries (including capital expenditures) related to a single transaction or a series of related transactions with the total value exceeding, in a single financial year, the equivalent of EUR 200,000.00 (two hundred thousand euros), not provided for in the budget approved in accordance with provisions of the Company's Articles of Association and which are activities that go beyond the ordinary management; -----
- 12) granting approval for a purchase or takeover of shares in other commercial companies by the Company or the Company's subsidiaries, and for entering into partnerships with other business entities by the Company or the Company's subsidiaries; -----
- 13) granting approval for concluding contracts by the Company on profit distribution of legal persons or business entities without legal personality; -----
- 14) granting approvals for selling fixed assets of the Company or the Company's subsidiaries the value of which exceeds 10% (ten percent) of the net book value of fixed assets of the Company or the Company's subsidiaries, respectively, established on the basis of the last verified financial statements of the Company or the Company's subsidiaries, respectively, from the marketable inventory within the scope of normal business operation; -----
- 15) granting approval for the sale or transfer of copyrights or any other intellectual property rights, in particular the rights to the company name and to the "AB" logo, as well as the rights to trademarks; -----
- 16) granting approval for concluding contracts between the Company or the Company's subsidiary and members of the Company's Management Board or entities related to any of the members of the Company's Management Board. Provided that the term "related entity" shall mean a person, company, or any other entity which has economic or family links with any member of the Company's Management Board, including, in particular (i) his/her spouse, or (ii) his/her children, or (iii) grandchildren, or (iv) parents, or (v) grandparents, or (vi) siblings, and any company or any other entity controlled directly or indirectly by the persons referred to above, or in which the persons referred to above have obtain significant economic benefits, -----
- 17) granting approval for employment of advisers and other persons by the Company or the Company's subsidiary who are not employees of the Company or the Company's subsidiaries, as consultants, lawyers, agents, if the annual remuneration, not provided for in the budget approved in accordance with provisions of the Company's Articles of

Association, exceeds the equivalent of EUR 200,000.00 (two hundred thousand euros); --

- 18) granting approval for pledging the Company's shares in the situations provided for in the Articles of Association; -----
- 19) granting approval for the sale of the Company's registered shares in the course of enforcement proceedings; -----
- 20) selection of a statutory auditor to audit the Company's financial statements; -----
- 21) granting approvals for the acquisition or sale of real estate, rights of perpetual usufruct, or a share in real estate. -----

3. The powers of the Supervisory Board referred to in para. 2 do not apply to legal operations performed between the Company and a subsidiary of the Company.

### **Article 15**

1. Members of the Supervisory Board shall exercise their rights and duties in person. -----
2. The remuneration of members of the Supervisory Board shall be determined by the General Meeting. -----
3. The Supervisory Board may delegate one or several of its members to individual performance of supervisory activities. -----
4. Each member of the Supervisory Board may request any information concerning the Company's business. Each member of the Supervisory Board shall be entitled to review the Company's accounting records. -----

### **Article 16**

(Deleted)

## **C. GENERAL MEETING**

### **Article 17**

1. General Meetings are held as annual or extraordinary general meetings. -----
2. An Annual General Meeting shall be held within six months from the end of the Company's financial year. -----
3. An Extraordinary General Meeting shall be convened by the Company's Management Board on its own initiative or upon request of a shareholder or shareholders, submitted in writing or in an electronic form, representing at least one twentieth of the share capital. An

Extraordinary General Meeting shall be convened within two weeks from the date of submission of a relevant request. -----

4. The Supervisory Board may convene an Annual General Meeting if the Management Board fails to convene it within the timeframe specified in Article 17.2. and an Extraordinary General Meeting if the Supervisory Board deems its convention advisable. -----

5. Shareholders representing at least half of the share capital or at least half of all the votes in the Company may convene an extraordinary general meeting. The shareholders shall appoint a chairperson of such meeting.-----

**Article 18**

1. The General Meeting may pass resolutions only in matters included in the agenda, unless the entire share capital is represented in the Meeting and nobody present in the Meeting has objected against passing of the resolution. -----

2. A shareholder or shareholders representing at least one-twentieth of the share capital may request that a specific item be included in the agenda of the next General Meeting. -----

3. A shareholder or shareholders representing at least one twentieth of the share capital may propose draft resolutions with reference to the items on the agenda of the General Meeting or matters that are to be added to the agenda, before the date of the General Meeting in writing or in electronic communication. -----

4. Each shareholder may submit draft resolutions regarding the issues covered by the agenda during the General Meeting.-----

5. Withdrawal or removal of an issue included in the agenda upon request of shareholders requires a resolution of the General Meeting to be passed with a majority of 75% votes of the General Meeting, provided that all the shareholders present at the General Meeting who have submitted the motion to include a given issue in the agenda give their prior consent to such withdrawal or removal.-----

**Article 19**

General Meetings are held at the Company’s registered office, in Wrocław or in Warsaw. -----

**Article 20**

General Meetings may adopt resolutions regardless of the number of shareholders present in the meeting or the number of represented shares, unless the Polish Code of Commercial Companies provides otherwise.

**Article 21**

- 1. Resolutions of General Meetings shall be approved with a simple majority of the votes cast by the shareholders attending the Meeting, unless these Articles of Association or the applicable regulations provide otherwise. -----
  
- 2. The resolution amending Article 12 which deprives a shareholder of the right to appoint or dismiss a member of the Supervisory Board shall be effective provided that the said shareholder votes for such a resolution. -----

**Article 22**

- 1. The powers of the General Meeting shall include, in particular: -----
  - 1) adopting resolutions on the distribution of profits or covering losses, -----
  - 2) merger or transformation of the Company, -----
  - 3) dissolution and liquidation of the Company, -----
  - 4) increase or decrease of the share capital, -----
  - 5) establishment of principles of remuneration of members of the Supervisory Board, -----
  - 6) creation and cancellation of special purpose funds, -----
  - 7) change of the Company's scope of business, -----
  - 8) amendment to the Articles of Association of the Company, -----
  - 9) issue of convertible bonds, bonds with priority rights or subscription warrants, -----
  - 10) appointment of liquidators, -----
  - 11) decisions regarding claims for damages occurring on the establishment of the Company or in the course of the Company's business or supervision, -----
  - 12) examination of the issues submitted by the Supervisory Board, the Management Board, or shareholders,-----
  - 13) taking steps to introduce the Company's shares to organised trading. -----
  
- 2. Acquisition or sale of real property, perpetual usufruct right, or shares in real property requires the consent of the General Meeting. -----

3. Apart from the matters listed in Article 22.1, resolutions of the General Meeting shall be required for other matters specified in the applicable regulations or the Articles of Association. -----
4. Motions in matters that in accordance with these Articles of Association require an opinion or approval of the Supervisory Board shall be submitted with a written opinion of the Supervisory Board. -----

### **Article 23**

(deleted)

## **V. COMPANY'S MANAGEMENT**

### **Article 24**

The Company's organisation shall be specified in the organisational regulations adopted by the Company's Management Board.-----

### **Article 25**

1. To cover balance sheet losses the Company shall establish a supplementary capital, towards which annual writeoffs shall be made, in the amount not lower than 8% (eight percent) of the annual net profit, until the supplementary capital reaches the amount equal to 1/3 (one third) of the share capital. -----
2. Apart from the share and supplementary capital the Company shall establish and maintain other capitals, the establishment of which is required pursuant to the provisions of law. -----
3. The General Meeting may establish and cancel reserve capitals and special funds during the financial year and at the closing of a financial year. -----

### **Article 26**

1. The Company's accounting year shall begin on 1 July every calendar year and shall end on 30 June of the next calendar year. The financial year commenced on 1 January 2007 shall

end on 30 June 2008.-----

2. The Company's Management Board shall prepare and submit to the Supervisory Board audited financial statements of the Company prepared in accordance with the regulations in force in Poland with a statutory auditor's opinion and a report from the audit of the financial statements within 90 (ninety) days from the end of each financial year;-----

3. The Management Board is obliged to provide to shareholders, not later than 15 days before the date of the Annual General Meeting, the annual financial statements of the Company, the Management Board's report on the Company's operations, an opinion and a report of the statutory auditor and the Supervisory Board's report with the results of evaluation of the financial statements and the Management Board's report on the Company's operations. The above-named documents shall be made available to the Shareholders for inspection at the Company's registered office. -----

4. The Management Board shall be obliged to prepare a draft budget for the next financial year. The budget shall be submitted to the Supervisory Board for approval by 31st May of each financial year. The Supervisory Board may approve part the budget submitted by the Management Board. When the budget is not approved or approved only in part, the Supervisory Board may specify a date by which the Company's Management Board shall be obliged to submit a new draft budget incorporating the comments made by the Supervisory Board or part of the budget approved by the Supervisory Board. -----

5. The Company's Management Board shall prepare and submit to the Supervisory Board a three-year, strategic economic plan of the Company that is updated on an annual basis. -----

6. The Company's Management Board shall be obliged to notify the Supervisory Board of any extraordinary changes to the Company's financial or legal condition or about any material breach of any agreement to which the Company is party. -----

## **Article 27**

2. Net profit of the Company may be allocated in particular to: -----

1) the supplementary capital; -----

2) additional reserve capitals created in the Company by a resolution of the General

Meeting; 3) dividends for shareholders; -----

3) other purposes specified in the resolution of the General Meeting. -----

3. Annual General Meetings shall set the ex-dividend date and the dividend distribution date.----