

Current Report No. 26/2015

(Friday, 5 October 2015)

Legal basis: Art. 5.1.2 of the Act on offering - current and periodical disclosures, and Art. 38.1.2) of the Regulation of the Minister of Finance of 19 February 2009 on current and periodical disclosure of information by issuers of securities and conditions to recognise as equivalent the information that is required by the law in non-member states (consolidated text, Journal of Laws of 2014, item 133).

Draft amendments to the Company's Articles of Association

The Management Board of AB S.A. presents draft amendments to the Articles of Association of AB S.A.

Discussion of the proposed amendments to the Articles of Association of AB Spółka Akcyjna to the Ordinary General Meeting of 5 November 2015.

The proposed amendments to the Articles of Association are split into two groups:

1. Amendment to Art. 2.1 concerning the Company's registered office and the related amendment to Art. 19. The amendments are related to the commissioning of the new registered office of the AB Group in Magnice.
2. Amendment to Art. 12.5 with respect to the number of independent members of the Supervisory Board. The amendment is compliant with the provisions of part. III.6 of the Code of Best Practice for WSE Listed Companies in compliance with which minimum two members of the supervisory board should meet the independence criteria of the Company and the entities related to the Company. The amendments are aimed at adapting to the current corporate governance rules in force.

Herebelow there are detailed amendments in the context of the entire Articles of Association:

ARTICLES OF ASSOCIATION OF "AB S.A."
PROPOSED AMENDMENTS

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. -----
2. The founders of the Company are as follows: -----
 - 1) Andrzej Przybyło, residing in Wrocław, ul. Rogowska 144/9, -----
 - 2) Iwona Przybyło, residing in Wrocław, ul. Rogowska 144/9, -----
 - 3) Polish Enterprise Fund, L.P., with its registered office at 375 Park Avenue, New York 10152, USA, -----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. BUSINESS OBJECTS OF THE COMPANY

Article 4

1. The Company's business objects include: -----
 1. 46.51.Z Wholesale of computers, peripheral devices and software-----
 2. 46.52.Z Wholesale of electronic and telecommunications equipment and of relevant parts-----
 3. 47.41.Z Retail sale of computers, peripheral devices and software in specialist stores--
 4. 47.42.Z Retail sale of telecommunications equipment in specialist stores-----

5. 47.43.Z Retail sale of audio-visual equipment in specialist stores-----
6. 46.14.Z Activity of the agents who sell industrial equipment, machines, ships and aircraft-----
7. 95.11.Z Repair and maintenance of computers and peripheral devices-----
8. 95.12.Z Repair and maintenance of (tele)communications equipment-----
9. 95.21.Z Repair and maintenance of common-use electronic equipment-----
10. 62.02.Z Activity related to IT consulting-----
11. 11. 62.01.Z Activity related to software-----
12. 62.09.Z Other service activity within the scope of IT and computer technologies-----
13. 52.10.B Storage of other goods-----
14. 14. 49.41.Z Road transportation of goods-----
15. 52.29.C Operation of other transport agencies-----
16. 73.11.Z Operation of advertising agencies-----
17. 73.12.A Brokerage services with respect to sale of time and space for advertising purposes in radio and television-----
18. 73.12.B Brokerage services in the sale of space for advertising purposes in printed media-----
19. 73.12.C Brokerage services with respect to sale of time and space for advertising purposes in electronic media (Internet)-----
20. 73.12.D Brokerage services with respect to sale of time and space for advertising purposes in other media-----
21. 58.19.Z Other publishing activity-----
22. 18.12.Z Other printing activity-----
23. 68.20.Z Rental and management of own or leased real estate-----
24. 85.59 B Other non-school forms of education, not classified elsewhere-----
25. 26.20.Z Production of computers and peripheral devices-----
26. 26.30.Z Manufacture of (tele)communication equipment-----
27. 45.31.Z Wholesale trade of motor vehicle parts and accessories excepting motorcycles-----
28. 46.33.Z Wholesale of dairy products, eggs and edible oils and fats-----
29. 46.34.B Wholesale of beverages-----

- 30. 46.36.Z Wholesale of sugar and chocolate and sugar confectionery-----
- 31. 46.37.Z Wholesale of tea, coffee, cocoa and spices-----
- 32. 46.39.Z Non-specialised wholesale of food, beverages and tobacco-----
- 33. 46.43.Z Wholesale of electrical household appliances-----
- 34. 46.44.Z Non-specialised wholesale of porcelain, ceramic and glass products
and detergents-----
- 35. 46.45.Z Wholesale of perfume and cosmetics-----
- 36. 46.47.Z Wholesale of furniture, carpets and lighting equipment-----
- 37. 46.48.Z Wholesale of watches, clocks and jewellery-----
- 38. 46.49.Z Wholesale of other household goods-----
- 39. 46.61.Z Wholesale of agricultural machinery, equipment and supplies-----
- 40. 46.65.Z Wholesale of office -----
- 41. 46.66.Z Wholesale of other office machinery and equipment-----
- 42. 46.69.Z Wholesale of other machinery and equipment-----
- 43. 46.90.Z Non-specialised wholesale trade-----

- 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 forty four). The Company's share capital shall be divided into 16,187,644 (sixteen million one hundred eighty seven thousand six hundred forty four) shares with the nominal value of PLN 1.00 (one) each, including:-----
 - 1) 2,729,971 (two million seven hundred twenty nine thousand nine hundred seventy one) series A1 ordinary bearer shares,-----

- 2) 1,313,000 (one million three hundred thirteen thousand) series B registered privileged shares,-----
- 3) 1,674,771 (one million six hundred seventy four thousand seven hundred seventy one) series C ordinary registered shares,-----
- 4) 202,000 (two hundred two thousand) D series bearer shares,-----
- 5) 1,764,621 (one million seven hundred sixty four thousand six hundred 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 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 eighty seven) series C2 ordinary bearer shares. -----

- 1a.** Pursuant to the resolution of the General Meeting No. 22/2006 of 30 May 2006 the share capital was conditionally increased by the amount not exceeding PLN 290,000 (PLN two hundred ninety thousand), by means of issue of not more than 290,000 (two hundred ninety thousand) G series bearer shares.-----
- 1b.** As long as B-series shares are held by Mr. Andrzej Przybyło, they shall be privileged with respect to voting rights in such a way that every B series 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, -----
- 1c.** 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 (PLN five million three hundred fifty five thousand seven hundred ten), by issue of maximum 5,355,710 (five million three hundred fifty five thousand seven hundred 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 (PLN four hundred two thousand), by issue of maximum 402,000 (four hundred 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 (PLN one hundred fifteen thousand), by issue of maximum 115,000 (one hundred 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 a request of the holder by way of a resolution of the Management Board which shall be taken within 14 (fourteen) days from the submission of the 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 registered shares. The Management Board's resolution referred to above shall be effective as of the moment of giving by the Supervisory Board its consent for conversion of registered shares into bearer shares. -----
- 4.** The share capital may be increased by issue of new shares or by increase of the par value of the shares subject to a 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 the shareholder by way of purchase by the Company (voluntary redemption). The terms and conditions and mode of such voluntary redemption shall be specified in the relevant resolution of the General Meeting. -----

IV SALE OF SHARES

Article 6

Shares may be sold. -----

V. COMPANY'S AUTHORITIES

Article 8

The bodies 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, nominated 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 the 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 relevant approval to the Supervisory Board or the General Meeting of the Company. -----

3. If the Management Board is composed of more than one person, declarations of intent on behalf of the Company can 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 Art. 12.3 and Art. 12.4 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 by the Company a status of a public 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 nominate and dismiss one member of the Supervisory Board. A statement by Iwona Przybyło and Andrzej Przybyło nominating or dismissing a member of the Supervisory Board shall be valid if signed by both of them.
4. On the day when either of the persons specified in Art. 12.3 ceases to be a Shareholder of the Company, the authority specified in Art. 12.3 to nominate 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 criteria: -----

- 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 top management shall be understood as persons who are managers or directors of the Company's organisational units reporting directly to the Company's Management Board or specific members of the Company's Management Board, -----
- 3) An Independent Member may not be paid from the Company or a related 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 program, -----
- 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. Serious business relations shall mean such relations the value of which exceeds 5% of Company's income for the previous accounting year, -----
- 6) An Independent Member may not be a person who now or in the last three years was 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 a proxy

in a company in which a member of the Company's Management Board or a proxy of the Company acts as 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 Art. 12.6.1) - 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. Shareholders' right to appoint and dismiss a member of the Supervisory Board, referred to in Art. 12.3 and Art. 12.4 shall be exercised as follows:-----

- 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 nominated by a shareholder or shareholders in the manner specified in Art. 12.1) 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
 - 1) Art. 12.1) above accordingly. In order for a dismissal of a Supervisory Board's member by shareholders to be effective, a new member of the Supervisory Board must be appointed; -----
- 3) when the mandate of a member of the Supervisory Board nominated in accordance with Art. 12.3 or 12.4 and the authorised shareholder who nominates the member of the Supervisory Board fails to nominate a new member of the Supervisory Board in his/her place within 14 days from expiry of the mandate, the General Meeting shall be entitled to nominate such new member of the Supervisory Board;-----
- 4) the authorised shareholder referred to in Art. 12.3 shall be entitled to dismiss such new member of the Supervisory Board nominated by the General Meeting in accordance with Art. 12.3. In order to be valid, such dismissal of a member of the Supervisory Board shall require the nomination of a new member of the Supervisory Board. -----

Article 13

1. The term of office of the Supervisory Board shall be common and shall last four years. -----

2. The Supervisory Board operates pursuant to the regulations accepted by it and approved by the General Meeting. -----
3. Meetings of the Supervisory Board shall be convened and chaired by its Chairperson or in his/her absence by the Deputy Chairperson. The Chairperson of the leaving Supervisory Board shall convene and open the first meeting of the newly nominated 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 and in his/her absence, the Deputy Chairperson of the Supervisory Board shall convene meetings of the Supervisory Board at their own initiative or upon a written request of the Company's Management Board 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 organised by means of a telephone, in a way enabling mutual communication of all the members of the Supervisory Board participating in such a meeting. Resolutions approved at such meetings shall be valid when the list of attendance and the minutes from the meeting are signed by each participating member of the Supervisory Board. In such situations, the place of holding the meeting and making the minutes shall be the place where the Chairperson of the Supervisory Board attended and in the case of his absence – the Deputy Chairperson if the meeting was chaired by him/her. ---
8. To the extent permitted by the applicable law, resolutions of the Supervisory Board may be approved by way of a written vote ordered by the Chairperson or in his absence by the Deputy Chairperson if all members of the Supervisory Board agree to the content of the resolutions and voting in writing. The date of the resolution shall be the date when it is signed by the Chairperson or the Deputy Chairperson if

the written vote was ordered by the Deputy Chairperson. -----

9. Members of the Supervisory Board may participate in adoption of resolutions by the Supervisory Board by casting their votes in writing through another member of the Supervisory Board. Voting via another member of the Supervisory Board may not apply to matters added to the agenda during the meeting of the Supervisory Board. -----
10. Resolutions of the Supervisory Board require a simple majority of votes. Should the number of votes be equal, Chairperson of the Supervisory Board shall have the casting vote. -----
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 these Articles of Association or law, the special rights of the Supervisory Board shall include: -----
 - 1) review of the balance sheet and of the profit and loss account, review of the Management Board's reports and the Management Board's proposals 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) determining the remuneration rules of the Management Board;-----
 - 5) approving 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 accounting year (with respect to the entire year and to individual calendar months), balance sheet forecast for the end of the accounting year, plan of cash flow for the accounting year (with respect to the entire year and to individual calendar months) and plan of the Company's expenditures other than usual costs of operation;-----

- 7) granting approval for incurring obligations by the Company or 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 (EUR two hundred thousand), 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. However:
“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 (EUR eight million);-----
- 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 encumbrance 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 approvals 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 (EUR two hundred thousand), 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 approvals for 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 approvals 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 Company's subsidiaries, respectively, established on the basis of the last audited financial statements of the Company or the Company's subsidiaries, respectively, from the marketable inventory within the scope of normal business operation; -----
 - 15) granting approvals for the sale or transfer of copyright or any other intellectual property rights, in particular the rights to the company name and to the "AB" logo as well as rights to trademarks; -----
 - 16) granting approval for concluding contracts between the Company or 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. Whereas the term "related entity" shall mean a person, company or any other entity which has economic or family associations 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 significant economic interest, -----
 - 17) granting approvals for employment by the Company or the Company's subsidiaries of advisers and other persons 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 (EUR two hundred thousand);
 - 18) granting approvals for pledging the Company's shares in the situations provided for in the Articles of Association; -----
 - 19) granting approvals 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 acquisition or sale of real estate, rights of perpetual usufruct or share in real estate. -----

3. The competences of the Supervisory Board referred to in art. 14.2 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 ordinary or extraordinary general meetings. -----

2. Ordinary General Meetings shall be held within six months from the end of the Company's accounting year. -----

3. Extraordinary General Meetings shall be convened by the Company's Management Board on its own initiative or on the request of a shareholder or shareholders, submitted in writing or in an electronic form, representing at least one twentieth of the share capital. Extraordinary General Meetings shall be convened within two weeks from the date of submission of a relevant request. -----

4. The Supervisory Board may convene an Ordinary General Meeting if the Management Board fails to convene it within the timeframe specified in Article 17.2. and an Extraordinary General Meeting if this is found appropriate. -----

5. Shareholders representing minimum one half of the share capital or minimum one half of the overall number of votes in the Company may convene an Extraordinary General Meeting. The shareholders shall appoint a chairperson of such a meeting.-----

Article 18

1. General Meetings may take resolutions solely on matters on the agenda unless the entire share capital is represented at the Meeting and no attendee votes a protest against taking such resolution. -----

2. A shareholder or shareholders representing minimum 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, before the due date of the General Meeting, submit to the Company in writing or by means of electronic communication, drafts of resolutions regarding the issues introduced to the agenda of the General Meeting or the issues which are to be added to the agenda. -----

4. Each shareholder may submit drafts of resolutions regarding the issues covered by the agenda during the general meeting.-----

5. Withdrawal or removal of an issue included in the agenda at the request of shareholders requires a resolution of the General Meeting to be passed with the 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 a 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 take resolutions irrespective of the number of attending shareholders or represented shares unless the Code of Commercial Companies provides otherwise. -----

Article 21

1. Resolutions of General Meetings shall be approved with an ordinary majority of the votes cast by the shareholders attending the Meeting unless these Articles of Association or the applicable regulations provide otherwise. -----

2. A resolution amending Article 12 which deprives a shareholder of the right to nominate or dismiss a member of the Supervisory Board shall require a vote in favour by the shareholder. -----

Article 22

1. The competencies of the General Meeting shall include in particular: -----
 - 1) adoption of resolutions on profit distribution or loss coverage, -----
 - 2) merger or transformation of the Company, -----
 - 3) dissolution and liquidation of the Company, -----
 - 4) increase or decrease of the share capital, -----
 - 5) 4) determining the remuneration rules of the Management Board; -----
 - 6) creating and cancelling special purpose funds, -----
 - 7) changes to the business objects of the Company; -----
 - 8) amendments to the Articles of Association of the Company. -----
 - 9) issue of convertible bonds, bonds with priority rights or subscription warrants, -----
 - 10) election 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) review of the issues submitted by the Supervisory Board, Management Board or shareholders, -
 - 13) taking steps to introduce the Company's shares to organised trading. -----
2. Acquisition or sale of real estate, perpetual usufruct right or shares in real estate requires 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 in 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. In order to cover any balance sheet losses, the Company shall establish reserve capital to be assigned annually minimum 8% (eight percent) of annual net profit until such time when the reserve capital reaches 1/3 (one third) of the share capital. -----
2. Apart from share capital and reserve capital, the Company shall establish and maintain other capitals in accordance with the applicable regulations. -----
3. The General Meeting may establish and cancel reserve funds 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 accounting year which begins 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 made in accordance with the regulations in force in Poland with an auditor's opinion and report from the audit of the financial statements, within 90 (ninety) days from the end of each financial year;-----
3. Latest 15 days before the date of the Ordinary General Meeting, the Management Board shall make available to the shareholders

the annual financial statements of the Company, report of the Management Board from operations of the Company, auditor's report and opinion and the report of the Supervisory Board on the assessment of the financial statements and report of the Management Board from operations of the Company. The above-named documents shall be made available to Shareholders 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 31 May each financial year. The Supervisory Board may approve the budget submitted by the Management Board in part. 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 the part of the budget approved by the Supervisory Board. -----

5. The Company's Management Board shall develop and submit an updated three-year strategic economic plan of the Company to the Supervisory Board for approval every year. ---

6. The Company's Management Board shall be obliged to notify the Supervisory Board forthwith 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) supplementary capital; -----
 - 2) additional reserves established in the Company by resolution of the General Meeting;
 - 3) dividend to shareholders; -----
 - 4) other purposes specified in the resolution of the General Meeting. -----

3. The Ordinary General Meeting shall set the record date and the date of payment of the dividend.-----