

Draft consolidated text of the Articles of Association (including a list of new provisions thereof)

## **CONSOLIDATED TEXT**

### **OF THE ARTICLES OF ASSOCIATION OF ACTION SPÓŁKA AKCYJNA WHOSE REGISTERED OFFICE IS IN WARSAW**

#### **I. BUSINESS NAME AND REGISTERED OFFICE**

##### **§ 1.**

1. The Company (hereinafter referred to as the "the Company") is a joint stock company subject to the regulations of the Commercial Companies Code and these Articles of Association.
2. The Company was established by transforming "ACTION Spółka z ograniczoną odpowiedzialnością", a limited liability company whose registered office was in Warsaw into "ACTION Spółka Akcyjna", a joint stock company whose registered office is in Warsaw.
3. The business name of the Company is: "ACTION Spółka Akcyjna".
4. The Company may also use the following name in its operations: "ACTION S.A."

##### **§ 2.**

1. The registered head office of the Company is located in Warsaw.
2. The Company operates on the territory of the Republic of Poland and beyond its borders.

#### **II. SCOPE OF THE COMPANY'S BUSINESS**

##### **§ 3.**

1. The Company's business is:
  - 1) Reproduction of recorded media (PKD 18.20.Z);
  - 2) Manufacture of electronic components (PKD 26.11.Z);
  - 3) Manufacture of loaded electronic boards (PKD 26.12.Z);
  - 4) Manufacture of computers and peripheral equipment (PKD 26.20.Z);
  - 5) Manufacture of communication equipment (PKD 26.30.Z);
  - 6) Manufacture of consumer electronics (PKD 26.40.Z);
  - 7) Manufacture of other electronic and electric wires and cables (PKD 27.32.Z);
  - 8) Manufacture of electric lighting equipment (PKD 27.40.Z);
  - 9) Manufacture of electric domestic appliances (PKD 27.51.Z);
  - 10) Manufacture of other electric equipment (PKD 27.90.Z);
  - 11) Maintenance and repair of machinery (PKD 33.12.Z);
  - 12) Maintenance and repair of electronic and optical equipment (PKD 33.13.Z);
  - 13) Maintenance and repair of electrical equipment (PKD 33.14.Z);
  - 14) Installation of industrial machinery and equipment (PKD 33.20.Z);
  - 15) Production of electricity (PKD 35.11.Z);
  - 16) Transmission of electricity (PKD 35.12.Z);
  - 17) Trade of electricity (PKD 35.14.Z);
  - 18) Construction of residential and non-residential buildings (PKD 41.20.Z);
  - 19) Other construction installation (PKD 43.29.Z);
  - 20) Other specialised construction activities n.e.c. (PKD 43.99.Z);
  - 21) Agents involved in the sale of machinery, industrial equipment, ships and aircraft (PKD 46.14.Z);
  - 22) Agents involved in the sale of a variety of goods (PKD 46.19.Z);
  - 23) Wholesale of soft drinks (PKD 46.34.B);
  - 24) Wholesale of sugar, chocolate, sugar confectionery and bakery products (PKD 46.36.Z);

- 25) Wholesale of coffee, tea, cocoa and spices (PKD 46.37.Z);
- 26) Non-specialised wholesale of food, beverages and tobacco (PKD 46.39.Z);
- 27) Wholesale of electrical household appliances (PKD 46.43.Z);
- 28) Wholesale of furniture, carpets and lighting equipment (PKD 46.47.Z);
- 29) Wholesale of computers, computer peripheral equipment and software (PKD 46.51.Z);
- 30) Wholesale of electronic and telecommunications equipment and parts (PKD 46.52.Z);
- 31) Wholesale of other office machinery and equipment (PKD 46.66.Z);
- 32) Non-specialised wholesale (PKD 46.90.Z);
- 33) Retail sale in non-specialised stores with food, beverages or tobacco predominating (PKD 47.11.Z);
- 34) Other retail sale in non-specialised stores (PKD 47.19.Z);
- 35) Retail sale of fruit and vegetables in specialised stores (PKD 47.21.Z);
- 36) Retail sale of meat and meat products in specialised stores (PKD 47.22.Z);
- 37) Retail sale of fish, crustaceans and molluscs in specialised stores (PKD 47.23.Z);
- 38) Retail sale of bread, cakes, bakery and sugar confectionery in specialised stores (PKD 47.24.Z);
- 39) Retail sale of beverages in specialised stores (PKD 47.25.Z);
- 40) Retail sale of tobacco products in specialised stores (PKD 47.26.Z);
- 41) Retail sale of computers, peripheral units and software in specialised stores (PKD 47.41.Z);
- 42) Retail sale of telecommunications equipment in specialised stores (PKD 47.42.Z);
- 43) Retail sale of audio and video equipment in specialised stores (PKD 47.43.Z);
- 44) Retail sale of electrical household appliances in specialised stores (PKD 47.54.Z);
- 45) Retail sale of furniture, lighting equipment and other household articles in specialised stores (PKD 47.59.Z);
- 46) Retail sale of music and video recordings in specialised stores (PKD 47.63.Z);
- 47) Retail sale of sporting equipment in specialised stores (PKD 47.64.Z);
- 48) Retail sale of games and toys in specialised stores (PKD 47.65.Z);
- 49) Retail sale of clothing in specialised stores (PKD 47.71.Z);
- 50) Retail sale of footwear and leather goods in specialised stores (PKD 47.72.Z);
- 51) Dispensing chemist in specialised stores (PKD 47.73.Z);
- 52) Retail sale of cosmetic and toilet articles in specialised stores (PKD 47.75.Z);
- 53) Other retail sale of new goods in specialised stores (PKD 47.78.Z);
- 54) Retail sale via mail order houses or via Internet (PKD 47.91.Z);
- 55) Freight transport by road (PKD 49.41.Z);
- 56) Other postal and courier activities (PKD 53.20.Z);
- 57) Other publishing (PKD 58.19.Z);
- 58) Publishing of computer games (PKD 58.21.Z);
- 59) Other software publishing (PKD 58.29.Z);
- 60) Wired telecommunications activities (PKD 61.10.Z);
- 61) Wireless telecommunications activities, excluding satellite telecommunications (PKD 61.20.Z);
- 62) Satellite telecommunications activities (PKD 61.30.Z);
- 63) Other telecommunications activities (PKD 61.90.Z);
- 64) Computer programming activities (PKD 62.01.Z);
- 65) Computer consultancy activities (PKD 62.02.Z);
- 66) Computer facilities management activities (PKD 62.03.Z);
- 67) Other information technology and computer service activities (PKD 62.09.Z);
- 68) Data processing, hosting and related activities (PKD 63.11.Z);
- 69) Web portals (PKD 63.12.Z);
- 70) News agency activities (PKD 63.91.Z);

- 71) Other information service activities n.e.c. (PKD 63.99.Z);
- 72) Other monetary intermediation (PKD 64.19.Z);
- 73) Financial leasing (PKD 64.91.Z);
- 74) Other credit granting (PKD 64.92.Z);
- 75) Other financial service activities, except insurance and pension funding n.e.c. (PKD 64.99.Z);
- 76) Renting and operating of own or leased real estate (PKD 68.20.Z);
- 77) Real estate agencies (PKD 68.31.Z);
- 78) Management of real estate on a fee or contract basis (PKD 68.32.Z);
- 79) Activities of head offices, excluding financial holding companies (PKD 70.10.Z);
- 80) Public relations and communication activities (PKD 70.21.Z);
- 81) Business and other management consultancy activities (PKD 70.22.Z);
- 82) Architectural activities (PKD 71.11.Z);
- 83) Engineering activities and related technical consultancy (PKD 71.12.Z);
- 84) Technical testing and analysis (PKD 71.20.B);
- 85) Research and experimental development on other natural sciences and engineering (PKD 72.19.Z);
- 86) Advertising agencies (PKD 73.11.Z);
- 87) Re-sale of advertising space in electronic media (internet) (PKD 73.12.C);
- 88) Market research and public opinion polling (PKD 73.20.Z);
- 89) Other professional, scientific and technical activities n.e.c. (PKD 74.90.Z);
- 90) Renting and leasing of cars and light motor vehicles (PKD 77.11.Z);
- 91) Renting and leasing of office machinery and equipment (including computers) (PKD 77.33.Z);
- 92) Leasing of intellectual property and similar products, except copyrighted works (PKD 77.40.Z);
- 93) Travel agency activities (PKD 79.11.A);
- 94) Tour operator activities (PKD 79.11.B);
- 95) Activities of call centres (PKD 82.20.Z);
- 96) Organisation of conventions and trade shows (PKD 82.30.Z);
- 97) Other business support service activities n.e.c. (PKD 82.99.Z);
- 98) Sports and recreation education (PKD 85.51.Z);
- 99) Foreign language instruction (PKD 85.59.A);
- 100) Other education n.e.c. (PKD 85.59 B);
- 101) Educational support activities (PKD 85.60.Z);
- 102) Other amusement and recreation activities (PKD 93.29.Z);
- 103) Repair of computers and peripheral equipment (PKD 95.11.Z);
- 104) Repair and maintenance of communication equipment (PKD 95.12.Z);
- 105) Repair and maintenance of consumer electronics (PKD 95.21.Z);
- 106) Repair of household appliances and home and garden equipment (PKD 95.22.Z);
- 107) Other personal service activities n.e.c. (PKD 96.09.Z);
- 108) Activities of insurance agents and brokers (Polish Classification of Activities 66.22.Z)
- 109) Other activities auxiliary to insurance and pension funding (Polish Classification of Activities 66.29.Z).

2. Should commencing or performing any activity listed as the Company's scope of business require a licence, concession or other kind of permission, the Company may only commence and execute that kind of activity upon being granted one.

3. Any material change to the scope of the Company's business shall require that a resolution to that effect be approved by the General Meeting of the Company with at least two thirds of the votes of those in attendance who must in turn represent at least half the Company's share capital. Such a resolution shall remain in full force and effect even if the shares held by those Shareholders who oppose the change are not redeemed.

#### **§ 4.**

The Company may establish branches and representatives in Poland and abroad and may also be part of other companies or business entities in Poland and abroad.

#### **§ 5.**

The operating time frame of the Company is unlimited.

### **III. SHARE CAPITAL**

#### **§ 6.**

1. The share capital of the Company does not exceed PLN 1,641,000 (one million six hundred and forty-one zloty) and is divided into:
  - 1) 11,910,000 (eleven million nine hundred and ten thousand) series A ordinary bearer shares with a nominal value of PLN 0.10 (ten groszy) each;
  - 2) not more than 4,500,000 PLN (in words: four million five hundred thousand) series B ordinary bearer shares of a nominal value of PLN 0.10 (ten groszy) each.
2. The share capital of the Company may be increased by issuing new shares in exchange for cash contributions or by means of non-cash contributions or increases in the nominal value of all the shares issued. Newly issued shares may be issued as registered shares or bearer shares.
3. Bearer shares cannot be exchanged for registered shares. Registered shares, if such be issued, may be exchanged for bearer shares, subject to the relevant restrictions of the Commercial Companies Code.
4. The Company's shares may be redeemed with the consent of the Shareholder by being purchased by the Company (voluntary share redemption).
5. The detailed terms and conditions of each voluntary share redemption shall be set out in a resolution at a General Meeting. The Management Board shall then acquire the Company's own shares from the Shareholder, acting strictly within the limits of the authority granted to it by the resolution, and shall then summon a General Meeting to vote on a resolution to cancel the redeemed shares and decrease the Company's share capital.
6. The Company may issue bonds, including convertible bonds and bonds carrying preemptive rights to new shares.

#### **§ 6a.**

1. The conditional share capital of the Company does not exceed PLN 82,050 (in words: eighty-two thousand fifty zloty) and is divided into not more than 820,500 (in words: eight hundred and twenty thousand, five hundred) C series ordinary bearer shares of a nominal value of PLN 0.10 (in words: ten groszy) each ("C Series shares").
2. The conditional share capital has been increased to enable holders of subscription warrants issued by the Company pursuant to a resolution of the Extraordinary General Meeting of 15 November 2006 to exercise their rights to acquire series C shares.
3. Holders of the subscription warrants referred to in sub-paragraph (2) are entitled to acquire series C shares.
4. The right to acquire series C shares shall remain valid until 31 December 2015.

#### **§ 7.**

Registered shares may only be sold with the consent of the Company. In the event of such consent being withheld, the Management Board shall propose another purchaser within 30 (thirty) days of the date on which the Shareholder notified the Company of his, her or its intention to sell the shares. The price of the shares shall be determined according to the Company balance sheet approved at its most recent Annual General Meeting. The buyer should pay the purchase price of the shares within 90 (ninety) days of the date on which the Shareholder wishing to sell the shares receives a letter from the Management Board indicating the purchaser.

#### **IV. COMPANY BODIES**

##### **§ 8.**

The Company has the following bodies:

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

##### **General Meeting**

##### **§ 9.**

1. The General Meeting may be summoned as an annual or an extraordinary one.
2. The Annual General Meeting of the Company is called by the Management Board of the Company. Should the Management Board fail to summon the Annual General Meeting within the time frame required by the Commercial Companies Code, it may be summoned by the Supervisory Board.
3. An Extraordinary General Meeting of the Company is called by the Management Board of the Company. The Extraordinary General Meeting may also be summoned by the Supervisory Board, should the latter deem it necessary, or by Shareholders who represent at least half of the Company's share capital or at least half of the total number of votes. In such a case, the chairperson of such a General Meeting shall be designated by Shareholders.
4. A Shareholder or Shareholders representing at least one twentieth of the Company's share capital or the Supervisory Board (without resorting to its right to call up an Extraordinary General Meeting on its own) may request that the Management Board summon an Extraordinary General Meeting and include specific matters in its agenda. In such a case, the date of the Extraordinary General Meeting should be announced within two weeks from the date of submitting such a request in writing or in electronic form.
5. An Extraordinary General Meeting may be summoned by Shareholders who have been authorised to do so by the Court of Registration and have previously requested an Extraordinary General Meeting to no avail.
6. General Meetings shall be summoned pursuant to the provisions of the Commercial Companies Code.

##### **§ 10.**

1. A General Meeting may only make resolutions on the matters included in the agenda, unless the full share capital is represented by the attendees of the General Meeting and no attendee objects either to the General Meeting itself or to putting any specific matters on its agenda.
2. The agenda of the General Meeting shall be drawn up by the body that called it. The agenda announced may be amended by the Management Board solely under the circumstances and in line with the procedures provided for by the Commercial Companies Code.
3. A Shareholder or Shareholders who represent at least one twentieth of the share capital have the right to:
  - a) request that specific matters be put in the agenda of the next General Meeting. In order to be valid, such a request must be submitted to the Management Board not later than in 21 days prior to the announced date of the General Meeting and must include a rationale for or a draft resolution related to the agenda item proposed. and may be submitted in electronic form.
  - b) propose drafts of resolutions related to the matters included or requested to be included in the agenda of the General Meeting, submitting them to the Company in writing or in electronic form prior to the announced date of the General Meeting.
4. Should a request referred to in Article 3 a) be submitted after the expiry of the relevant time frame, it shall be understood as a request to put specific matters on the agenda of the General Meeting following the nearest one.
5. The rights referred to in Article 3 are also held by the Supervisory Board.
6. During a General Meeting, each Shareholder may submit drafts of resolutions on matters included in the agenda announced.
7. A General Meeting may pass resolutions regardless of the number of Shareholders present or the proportion of shares represented, unless legal regulations or the provisions of these Articles of Association specify otherwise.

8. Resolutions at a General Meeting shall be passed by a simple majority of votes (i.e. there must be more votes "for" than "against"; abstentions are not taken into account), unless legal regulations or the provisions of these Articles of Association specify otherwise.
9. A resolution to dissolve the Company in the event referred to in Article 397 of the Commercial Companies Code requires an absolute majority of votes.
10. Voting is open. A secret ballot is required whenever electing, dismissing or suspending members of the Company's bodies or its liquidators, or whenever voting on the liability of specific individuals or their personal affairs. A secret ballot shall also be held if one or more Shareholders with valid voting rights request it.
11. Any significant changes to the scope of the Company's business shall be voted openly and by name.

#### **§ 11.**

1. The General Meeting has the competence to pass resolutions on the following matters:
  - 1) examining and approving financial reports of the Company and reports of the Management Board on the operations of the Company during the previous financial year;
  - 2) distributing profits or covering losses;
  - 3) acknowledging the fulfilment of duties by members of the Company's bodies;
  - 4) amending the Company's Articles of Association;
  - 5) increasing or decreasing the Company's share capital;
  - 6) consolidating or transforming the Company;
  - 7) dissolving or liquidating the Company;
  - 8) issuing convertible bonds, bonds with a preemptive right to new shares, or subscription warrants referred to in Article 453 paragraph § 2 of the Commercial Companies Code;
  - 9) buyback of the Company's own shares in the event referred to in Article 362 paragraph § 1 subparagraph 2 of the Commercial Companies Code, or providing authorisation to redeem them in the event referred to in Article 362 paragraph § 1 subparagraph 8 of the Commercial Companies Code;
  - 10) redeeming shares and establishing the terms and conditions of such redemption;
  - 11) disposing of or leasing the business or its organised part, or creating limited property rights in it;
  - 12) creating and running down capital reserves and special funds and specifying the purposes to which they are to be put;
  - 13) deciding on compensation claims for damages incurred while incorporating, managing or supervising the Company;
  - 14) concluding agreements between the Company and its subsidiaries on controlling the subsidiary or transferring its profits;
  - 15) adopting the rules of proceedings of the General Meeting;
  - 16) adopting the rules of proceedings of the Supervisory Board;
  - 17) appointing and dismissing members of the Supervisory Board;
  - 18) appointing and dismissing the Chairperson of the Supervisory Board;
  - 19) setting the remuneration for the members of the Supervisory Board;
  - 20) appointing and dismissing liquidators;
  - 21) dealing with matters raised by the Supervisory Board, the Management Board or Shareholders;
  - 22) introducing the shares of the Company into an organised securities trading system.
2. Acquiring or disposing of real estate or its perpetual usufruct or any proprietary rights therein does not require the approval of a General Meeting.
3. General Meetings may be held at the Company's registered office or in Zamienie in Lesznów Municipality, Piaseczno District, Mazowieckie Province.

4. The General Meeting may adopt the agenda as is, change the order of the items or remove one or more items. No resolution not to examine any item on the agenda has any effect unless there is a material justification for passing it. A detailed rationale should be presented for raising such a motion. Removing an item from the agenda or deciding not to examine a matter listed on the agenda in compliance with a request from a Shareholder requires a resolution to be passed by the General Meeting with a 75% majority after the prior consent of all those Shareholders in attendance who were in favour of the matter being put on the agenda.

### **Supervisory Board**

#### **§ 12.**

1. The Supervisory Board is composed of from three to five members and is appointed by the General Meeting for a three-year term. Should the Company become public, the Supervisory Board shall be composed of from five to seven members.
2. The mandates of the members of the Supervisory Board expire on the date of the General Meeting in which the report for the last financial year of their term is approved. The mandate of a Supervisory Board member appointed in the course of the term expires on the same date as the mandates of the remaining members of the Supervisory Board.

In the event of the death or resignation of a Supervisory Board Member during the joint term of office, the Supervisory Board may co-opt a member of the Supervisory Board. The number of co-opted members of the Supervisory Board may not exceed one half of the total number of Supervisory Board Members. The appointment of Supervisory Board Members in a co-opting procedure must be approved at the next General Meeting. If any of the co-opted members of the Supervisory Board are not approved, the General Meeting shall elect a new member of the Supervisory Board.

3. The Chairperson of the Supervisory Board is appointed by the General Meeting.
4. The Supervisory Board elects a Deputy Chairperson and a Secretary from among its members during the first meeting of its new term. During its first term, the Supervisory Board can dismiss its Deputy Chairperson and Secretary and appoint other members of the Supervisory Board to those positions but it cannot remove the dismissed Deputy Chairperson or Secretary from the Supervisory Board.
5. The Supervisory Board carries out its duties as a body but has the freedom to delegate specific supervisory tasks to its members. Members with delegated responsibilities receive additional remuneration whose value is set by a General Meeting resolution.
6. Any member of the Supervisory Board delegated to perform specific supervisory tasks on behalf of the Company is entitled to request any information relevant to carrying out those tasks as well as all available Company related information. This includes the right to request reports and clarifications from the Management Board and any employee of the Company. All Supervisory Board members have the right to inspect the Company's accounts.
7. Supervisory Board members exercise their rights and fulfil their duties personally.
8. Supervisory Board members may be entitled to remuneration. The amount of remuneration paid to members of the Supervisory Board is set by a General Meeting resolution. A Supervisory Board member delegated to temporarily perform the duties of a Management Board member shall be remunerated at the same rate as that Management Board member.

#### **§ 13.**

1. The Supervisory Board carries out its functions according to the rules of proceedings approved by the General Meeting.
2. The Chairperson of the Supervisory Board directs the Board and summons and chairs Board meetings. The Deputy Chairperson of the Supervisory Board chairs Board meetings whenever the Chairperson is absent. The oldest member of the Supervisory Board chairs Board meetings whenever both the Chairperson and Deputy Chairperson are absent.
3. The Supervisory Board meets whenever necessary but not less frequently than once every three months.



4. The Management Board or a Supervisory Board member may request a meeting of the Supervisory Board and propose an agenda for such a meeting. The Chairperson of the Supervisory Board, or the Deputy Chairperson in the event that the Chairperson is absent or uncontactable, shall summon a meeting of the Supervisory Board to be held no later than two weeks from the date of receiving the request.
5. The Supervisory Board requires an absolute majority to pass resolutions. Should there be an equal number of votes for and against, the vote of the member chairing the meeting shall be decisive.
6. The following conditions must be met for Supervisory Board resolutions to be valid:
  - 1) Every member of the Supervisory Board must be given seven days' notice of the meeting via facsimile, electronic mail, registered mail or by a letter sent by a courier service. This requirement may be waived if the Supervisory Board unanimously consents to hold the meeting without seven days' notice and each member confirms his or her consent in writing or signs the attendance list;
  - 2) At least half the members of the Supervisory Board must be present at the meeting.
7. A Supervisory Board meeting may be held without being officially summoned, provided that the Supervisory Board unanimously consents thereto on or before the date of the meeting and each member confirms his or her consent in writing and signs the attendance list.
8. Members of the Supervisory Board may take part in passing resolutions by submitting their votes through another member of the Supervisory Board. Submitting a vote in writing is not allowed for matters included in the agenda during the session of the Supervisory Board.
9. No resolution may be made on any matter not included in the agenda, unless all the members of the Supervisory Board are present at the meeting and none of them objects to it.
10. The Supervisory Board may also pass resolutions in writing or using electronic means of communication. Voting in writing or via conference call must be ordered by the Chairperson or Deputy Chairperson of the Supervisory Board. Resolutions passed that way are recorded in the form of meeting minutes by the person who chairs the session. Such meeting minutes must be signed by all members of the Supervisory Board who took part in the voting carried out in writing or by means of a conference call. Every member of the Supervisory Board must have been made aware of the contents of a resolution for it to be valid. The date of a resolution shall be the date on which it is signed by the member who chaired the meeting.
11. Resolutions to appoint, dismiss or suspend members of the Management Board may not be passed by the means referred to in paragraphs 8 and 10.

#### **§ 14.**

1. The Supervisory Board may include two Independent Members once the Company's shares are traded on the regulated market. Independent Members must meet the following conditions:
  - 1) An Independent Member must not have been a member of the Company's Management Board or a member of a related company within the meaning of the regulations of the Commercial Companies Code, or a proxy of the Company or any of its related companies within the previous five years;
  - 2) An Independent Member must not be an employee of the Company or any of its related companies within the meaning of the regulations of the Commercial Companies Code, nor is it permissible for the Independent Member to have held a position of a senior manager at the Company or any of its related companies within the previous three years. A senior manager shall be defined as a manager, head or director of an organisational unit of the Company or a related company who reports directly to the Management Board or to any specific member of the Management Board of the Company or any of its related companies;
  - 3) An Independent Member must not receive any remuneration from the Company or any of its related companies other than that received on account of holding his or her position on the Supervisory Board; in particular an Independent Member must not be a beneficiary of any stock options programme or results-



based motivation programme.

- 4) An Independent Member must not own 10% or more of the Company's share capital or be a person related to or a representative of anyone owning 10% or more of the Company's share capital.
  - 5) An Independent Member must not have, or have had at any time within the previous year, a significant economic relationship (including but not limited to being a provider of financial, legal or business consulting services) with the Company or any of its related companies, either directly or as a partner, Shareholder, board member, proxy or senior manager of any entity having a significant economic relationship with the Company or any of its related companies.
  - 6) An Independent Member must not be, or have been at any time within the previous three years, an employee or partner of any past or present Company auditor.
  - 7) An Independent Member must not be a member of the Management board or a proxy at any other company whose supervisory board includes a member of the Management Board or a proxy of the Company.
  - 8) An Independent Member must not serve more than three terms on the Supervisory Board of the Company.
  - 9) An Independent Member must not be a spouse or close relative of any Management Board member, proxy or any of the persons referred to in subparagraphs 1)-8) above. A close relative shall be defined as a first or second degree relative.
  - 10) The person designated an Independent Member may not be effectively or materially related to any Shareholder who holds 5% or a higher proportion of the total number of votes at the Company's General Meeting. Without limitation, such a relationship includes the relationships indicated under paragraph 5 and 9 above.
2. Independent Members of the Supervisory Board are appointed by a General Meeting from among candidates nominated by a Shareholder or group of Shareholders representing no more than 20% of the share capital of the Company present at the General Meeting. In the event that none of the Shareholders entitled to nominate candidates for Independent Members of the Supervisory Board choose to exercise their right, candidates for Independent Members of the Supervisory Board may be nominated by a Shareholder or group of Shareholders representing more than 20% of the share capital present at the General Meeting. In the event that no candidates are nominated, no Independent Members shall be elected to the Supervisory Board.

## **§ 15.**

1. The Supervisory Board supervises the operations of the Company on an ongoing basis.
2. In particular, the competences of the Supervisory Board shall include:
  - 1) approving purchases and sales of real estate, its perpetual usufruct or proprietary rights to real estate or its perpetual usufruct by the Company;
  - 2) assessing the Company's financial statements for the previous financial year in terms of consistency with the books, the accounting documentation and the facts;
  - 3) assessing the Management Board's report on the Company's operations for the previous financial year in terms of consistency with the books, the accounting documentation and the facts and assessing the Management Board's proposals for distributing profits or covering losses;
  - 4) submitting written reports to the General Meeting on the results of the actions taken referred to in subparagraphs (2) and (3);
  - 5) appointing and dismissing members of the Management Board;
  - 6) granting permission to Management Board members to run businesses competing with the Company or to work for competitive companies as registered partners or members of their executive bodies. No resolution to grant

permission to a Management Board member to run a competitive business or work for a competing company as a registered partner or member of any of its executive bodies may be adopted if an Independent Member submits a substantiated objection in writing, unless the other Independent Member grants permission;

- 7) suspending a member of the Management Board or the entire Management Board from their duties provided there is a serious reason for doing so;
- 8) temporarily delegating the functions of one or more Management Board members to one or more members of the Supervisory Board in the event of the former having been suspended or dismissed, or being unable to perform their functions for whatever reason;
- 9) granting permission to purchase or otherwise acquiring shares in other companies;
- 10) granting permission for divesting parts of the fixed assets of the Company or its subsidiary if their value exceeds 10% (ten per cent) of the net book value of the fixed assets of the Company or its subsidiary, as recognized based on the last audited financial statements of the Company or its subsidiary respectively, save for those which constitute inventory intended for sale under normal business operations,
- 11) concluding contracts between the Company and Management Board members with respect to provisions not subject to approval by the General Meeting as per the Commercial Companies Code. No resolution on concluding such contracts may be passed if an Independent Member submits a substantiated objection in writing, unless the other Independent Member grants permission to conclude such a contract;
- 12) granting permission (with respect to provisions which not subject to approval by the General Meeting as per the Commercial Companies Code) to conclude contracts between the Company or any of its subsidiaries and the Company's Shareholders, entities related to the Company's Shareholders or members of the Company's Management Board except for commercial contracts executed under the Company's normal business operations. This also applies to employees of the Company who report directly to one or more members of the Management Board in case of such employees concluding a contract or series of contracts whose value exceeds the Polish zloty equivalent of EUR 15,000 (fifteen thousand euro), calculated using the average euro exchange rate published by the National Bank of Poland for the day before that on which the permission was requested. No resolution to grant permission to conclude any such agreements may be passed if an Independent Member submits a substantiated objection in writing, unless the other Independent Member grants permission to conclude such a contract;

a related entity shall be defined as a person, company or any other entity which has an economic or blood relationship with any Shareholder of the Company or a member of its Management Board, including but not limited to: their spouse and cohabitant, parents and further ascendants of the Shareholder or member of the Management Board, children and further descendants of the Shareholder or member of the Management Board, siblings of the Shareholder or member of the Management Board, children and further descendants of the siblings of the Shareholder or member of the Management Board, parents and further ascendants of the spouse or cohabitant of the Shareholder or member of the Management Board, children or further descendants of the spouse or cohabitant of the Shareholder or member of the Management Board, siblings of the spouse or cohabitant of the Shareholder or member of the Management Board, children and further descendants of the siblings of the Shareholder or member of the Management Board and any company or any other entity directly or indirectly controlled by the individuals specified above or from which those individuals obtain material economic benefits;

- 13) approving the rules of proceedings of the Management Board of the Company;
- 14) laying down the rules for remunerating the Management Board. Adopting resolutions on the rules for remunerating members of the Management Board requires the consent of at least one Independent Member;
- 15) selecting a state certified auditor to audit the Company's financial statements. Adopting resolutions on selecting state certified auditors to audit the Company's financial statements requires that at least one Independent Member agree with the choice proposed. Independent Members objecting to the choice of auditor should substantiate their objections in writing.

3. If the Supervisory Board is composed of not more than five members, the Company shall not establish an audit committee referred to by the Act of 7 May 2009 on certified auditors, their self-government, entities authorized to audit financial

statements and public supervision (Dz. U. {Polish Journal of Laws} No. 77, Item 649) but shall delegate the duties of such a body to the Supervisory Board instead.

### **Management Board**

#### **§ 16.**

1. The Management Board of the Company consists of from one to three members and is appointed for a four-year term.
2. The mandate of a Member of the Management Board appointed in the course of the term of the Board expires on the same date as the mandates of the remaining members of the Board.
3. The Management Board controls the operations of the Company and represents the Company externally.
4. The Supervisory Board sets the number of members of the Management Board. If the Management Board consists of one member only, then that member shall hold the position of President of the Management Board. If the Board consists of two or more members, then the Supervisory Board shall appoint one of them President of the Management Board. During the term of the Management Board, the Supervisory Board may dismiss the President of the Management Board from that position without removing him or her from the Management Board and appoint another member of the Management Board President. This does not preclude the Supervisory Board from dismissing individual members of the Management Board and excluding them from that body or from appointing new members to replace them.
5. The Management Board passes its resolutions by a simple majority of votes. Should there be an equal number of votes for and against, then the vote of the President of the Management Board shall be decisive. The rights and duties of the Management Board and the rules of its proceedings are laid down by the Management Board and are subject to approval by the Supervisory Board.

#### **§ 17.**

1. Representations may be made and signatures may be placed on behalf of the Company solely by:
  - 1) the President of the Management Board in the case of there being only one Management Board member;
  - 2) two members of the Management Board or one member of the Board together with a proxy in the case of there being two or more Management Board members.
2. Assigning powers to a proxy requires the unanimous consent of the Management Board. Any Management Board member may revoke the powers of the proxy.
3. An attorney or attorneys of the Company may be designated in order to represent the Company in legal or factual matters. Attorneys may act individually or jointly within the scope of the power of attorney delegated to them. Power of attorney may be granted or revoked following the procedures laid down for making representations on behalf of the Company.
4. Management Board members are required to attend General Meetings unless doing so would interfere with their carrying out their ongoing duties. The attendance of the President of the Management Board at a General Meeting is obligatory.
5. No member of the Management Board may run a competitive business or participate in a competitive company as a partner in a civil or private partnership or as a member of the executive body of any capital company without the permission of the Supervisory Board. Nor may any member of the Management Board be a member of an executive body of any other legal person competitive to the Company without the permission of the Supervisory Board. Nor may any member of the Management Board own 10% or more of the share capital of any competitive capital company or such amount of the share capital that would entitle the member to appoint one or more management board members of that competitive company unless the member has the permission of the Supervisory Board.
6. The Management Board is obliged to issue a financial report and a report on the operations of the Company by no later than three months after the end of the preceding financial year.

#### **§ 18.**

1. Members of the Management Board may be employed by the Company under an employment contract or other type of contract, or they may be remunerated for the executive positions they hold within the Company.
2. The Supervisory Board represents the Company whenever the Company enters into a contract with one or more members of its Management Board and whenever a contractual dispute arises between those parties. The Chairman of the Supervisory Board, on behalf of the Company, signs contracts, including employment contracts, between the Company and members of its Management Board stipulating the amount of remuneration and bonuses payable to the latter. The wording of such contracts and the amount of remuneration and bonuses stipulated in them must have been approved beforehand by the Supervisory Board by adopting a resolution. The Deputy Chairperson of the Supervisory Board signs such contracts on behalf of the Company in the event that the Chairperson is absent. The same procedure applies for all other actions affecting the employment relationships of Management Board members.
3. The Supervisory Board may pass a resolution to suspend one or more Management Board members from their duties provided it has compelling reasons to do so.

### **V. ACCOUNTING**

#### **§ 19.**

1. The financial year of the Company shall be concurrent with the calendar year. The first financial year after this change, 2008/2009, shall last seventeen consecutive calendar months and commence on 1 August 2008 and end on 31 December 2009.
2. The net profit of the Company may be specifically be allocated for:
  - a) supplementary capital;
  - b) capital reserves and special funds;
  - c) Shareholders' dividends;
  - d) any other purpose specified by a General Meeting resolution.
3. The Ordinary General Meeting sets the dividend record date and dividend payment date.
4. The Company shall build its supplementary capital to cover its balance losses. The supplementary capital shall be accumulated by transferring 8% of the annual net profit, until that capital reaches at least 1/3 of the value of the share capital.
5. The Company shall create and maintains any other capital required by the law in addition to share capital and supplementary capital.
6. The General Meeting may create and run down capital reserves and special funds both during the financial year and after its closure.
7. The Company shall provide its Shareholders with its annual financial report, the report of the Management Board on the operations of the Company, an opinion and a report written by a state certified auditor and the report from the Supervisory Board evaluating the Management Board's financial report and report on the operations of the company by no later than 15 days before the date of the Annual General Meeting. These documents shall be made available to Shareholders by being available for inspection at the Company's registered office.

### **VI. COMPANY FOUNDERS**

#### **§ 20.**

The company was founded by the Partners of "ACTION spółka z ograniczoną odpowiedzialnością", i.e. Mr Piotr Bieliński, Mr Olgierd Matyka, Mr Wojciech Wietrzykowski, Mr Kajetan Wojtkiewicz, Mr Robert Waś, Mr Józef Dębski, Mr Kazimierz Lasecki, Mr Piotr Wójcik and Mr Robert Bąk.

## **VII. FINAL PROVISIONS**

### **§ 21.**

1. All announcements required by law to be published by the Company shall be published in the Official Court and Commercial Gazette (Monitor Sądowy i Gospodarczy) unless the respective regulations stipulate otherwise. The Company may also publish announcements via nationwide dailies or dailies published abroad. This, however, does not discharge the Company from its statutory obligation to publish them in the official gazette referred to above.
2. All matters not covered in these Articles of Association are subject to the regulations of the Commercial Companies Code and other applicable laws.