

THE ARTICLES OF ASSOCIATION OF THE COMPANY

I. GENERAL

Article 1

1. The Company's name is Orzeł Biały Spółka Akcyjna ("*joint stock company or plc*").
2. The Company may use the shortened name of Orzeł Biały S.A. as well as corresponding foreign language equivalent names and short names.
3. The Company may use a distinctive graphic sign (logo).

Article 2

The Company's registered office is at Piekary Śląskie, Poland.

Article 3

1. The Company carries on business in and outside of the Republic of Poland.
2. The Company may establish branch offices, representative offices, operating establishments and enter into any capital and organisational relations with any other national and foreign entities.

Article 4

The duration of the Company is not limited.

II. THE BUSINESS PURPOSE OF THE COMPANY

Article 5

The Company's business purpose shall be carrying on service, manufacturing and trading activities, in particular:

* PKD - Polish Code of Goods Nomenclature

- PKD 14.19.Z Manufacturing of remaining apparel and apparel accessories,
- PKD 20.16.Z Manufacturing of plastics in primary forms,
- PKD 22.29.Z Manufacturing of other plastic products,
- PKD 22.23.Z Manufacturing of products for the construction of plastics,
- PKD 22.22.Z Manufacturing of plastic packaging,
- PKD 22.21.Z Manufacturing of plastic plates, sheets, pipes and profiles,
- PKD 23.62.Z Manufacturing of plaster construction products,
- PKD 24.41.Z Manufacturing of precious metals,
- PKD 24.43.Z Manufacturing of lead, zinc and tin,
- PKD 24.45.Z Manufacturing of other non-ferrous metals,
- PKD 24.54.B Casting of other non-ferrous metals, not elsewhere classified,
- PKD 27.33.Z Manufacturing of installation equipment,
- PKD 27.40.Z Manufacturing of electric lighting equipment,
- PKD 32.91.Z Manufacturing of brooms, brushes and paintbrushes,
- PKD 32.99.Z Manufacture of other products not elsewhere classified,
- PKD 35.30.Z Manufacturing and supply of steam, hot water and air for air conditioning systems,
- PKD 37.00.Z Sewage disposal and treatment,
- PKD 38.11.Z Collection of non-hazardous waste,
- PKD 38.12.Z Collection of hazardous waste,
- PKD 38.21.Z Treatment and disposal of non-hazardous waste,
- PKD 38.22.Z Treatment and disposal of hazardous waste,

PKD 38.31.Z Dismantling of end-of-life products,
 PKD 38.32.Z Recovery of raw materials from segregated/sorted materials,
 PKD 39.00.Z Remediation activities and other service activities related to waste management,
 PKD 43.31.Z Plastering,
 PKD 43.32.Z Laying construction site joinery,
 PKD 43.33.Z Flooring/tiling; wallpapering and wall cladding,
 PKD 43.34.Z Painting and glazing,
 PKD 43.39.Z Performing other finishing construction works,
 PKD 43.99.Z Other specialist construction works, not elsewhere classified,
 PKD 46.19.Z Agents involved in the sale of a variety of goods,-
 PKD 46.72.Z Wholesale of metals and metal ores,
 PKD 46.76.Z Wholesale of other intermediate products,
 PKD 46.77.Z Wholesale of waste and metals scrap,
 PKD 46.90.Z Non-specialist wholesale trade,
 PKD 49.41.Z Road-bound transport of goods,
 PKD 49.42.Z Service activities related to removals,
 PKD 52.10.A Storage and storage of gaseous fuels,
 PKD 52.10.B Warehousing and storage of other goods,
 PKD 52.21.Z Service activities supporting land transport, --
 PKD 52.22.B Service activities supporting inland waterway transport,
 PKD 52.24.C. Reloading of goods at other reloading points,
 PKD 64.19.Z Other monetary intermediation,
 PKD 64.92.Z Other forms of credit/loan granting,
 PKD 64.20.Z Activities of financial holding companies,
 PKD 64.30.Z Activities of trusts, funds and similar financial institutions,
 PKD 64.99.Z Other financial service activities, except insurance and pension funds,
 PKD 66.12.Z Brokerage activities related to the securities and exchange commodities market,
 PKD 66.19.Z Other activities supporting financial services, excluding insurance and pension funds,
 PKD 68.10.Z Buying and selling of own real estate,
 PKD 68.20.Z Rental and management of own or leased real estate,
 PKD 68.31.Z Real estate agency,
 PKD 68.32.Z Property management performed on request,
 PKD 69.10.Z Legal activities,
 PKD 69.20.Z Accounting and book-keeping activities; tax advisory/consultancy,
 PKD 70.21.Z Interpersonal relations (public relations) and communication,
 PKD 70.22.Z Other consultancy in the field of business activity and management,
 PKD 71.20.A Research and analyses related to food quality,
 PKD 71.20.B Other technical testing and analysis,
 PKD 72.11.Z Scientific research and development works in the field of biotechnology,
 PKD 72.19.Z Scientific research and development works in the field of other natural and technical sciences,
 PKD 73.11.Z Activities of advertising agencies,
 PKD 73.20.Z Market and public opinion research,
 PKD 74.90.Z Other professional, scientific and technical activities, not elsewhere classified,
 PKD 77.11.Z Hire and rental of passenger cars and vans,
 PKD 77.12.Z Renting and leasing of other motor vehicles, excluding motorcycles,
 PKD 77.33.Z Renting and leasing of office machinery and equipment, including computers,
 PKD 77.39.Z Renting and leasing of other machinery, equipment and tangible goods, not elsewhere classified,
 PKD 77.40.Z Lease of intellectual property and similar products, excluding works protected by copyright,

PKD 81.10.Z Ancillary activities related to housekeeping in buildings,
PKD 81.21.Z Non-specialist industrial building and facilities cleaning and sweeping,
PKD 81.22.Z Specialist industrial building and facilities cleaning and sweeping,
PKD 81.29.Z Other cleaning and sweeping,
PKD 82.11.Z Service activities related to administrative office support,
PKD 82.19.Z Making photocopies, preparing documents and other specialist office support activities,
PKD 82.99.Z Other business support activities, not elsewhere classified,s
PKD 96.09.Z Other service activities, not elsewhere classified.

III. EQUITY

Article 6

1. The Company's shareholders equity is PLN 7,159,779.07 (say: seven million one hundred fifty nine thousand seven hundred seventy nine and Polish Zloty and seven Groszy) and divided into 16,650,649 (say: sixteen million six hundred fifty thousand six hundred forty nine only) ordinary bearer shares at par value of PLN 0.43 (say: zero zlotys forty three Groszy) each, comprising:
 - a) 14,759,929 (say: fourteen million seven hundred fifty nine thousand nine hundred twenty nine) A Series Shares;
 - b) 1,800,000 (one million eight hundred thousand) B Series Shares,
 - c) 56.700 (say: fifty six thousand seven hundred) E Series Shares,
 - d) 34.020 (say: thirty four thousand twenty) F Series Shares.
2. The A-series shares had been subscribed to in full before the Company was registered. The B Series Shares had been subscribed to in full before the Company's equity increase was registered through the B Series Share issue. The E Series Shares had been subscribed to in full before the Company's equity increase was registered through the E Series Share issue. The F Series Shares had been subscribed to in full before the Company's equity increase was registered through the F Series Share issue.

Article 7

1. All the Company's shares are bearer shares.
2. The Company may issue subscription warrants and bonds including convertible bonds.

Article 8

1. The shares may be withdrawn to retire by the General Shareholders Meeting's resolution.
2. The withdrawal of shares is permitted with the consent of any shareholder owning the shares which are to be withdrawn (voluntary withdrawal).
3. The withdrawal may be without payment with the shareholder's consent.
4. Notwithstanding the provisions of Clause 3 above, any payment due from share withdrawal shall be made to any given shareholder within thirty (30) days of the General Shareholders Meeting resolving upon the share withdrawal.
5. The General Shareholders Meeting's resolution on share withdrawal shall determine the way and conditions of share withdrawal, specifically the amount and manner of payment due to the shareholder on account of his/her share (shares) being withdrawn, legal basis for the withdrawal and the way of shareholders equity decrease.
6. Shall the payment of dues for the voluntary share withdrawal be financed from the amount which, pursuant to Art. 348 § 1 of the Commercial Code, might be earmarked for distribution, paragraphs 7 – 8 thereof shall apply. The Company may post to Reserves any amount which, pursuant to Art. 348 § 1 of the Commercial Code, might be earmarked for distribution.

7. The General Shareholders Meeting shall pass a resolution in which to: (a) consent to the Management Board purchasing the Company's own shares for withdrawal; (b) earmark, to the extent allowed by Art. 348 § 1 of the Commercial Code, a defined portion of the Company's earnings/profits to finance the purchase of the Company's own shares for withdrawal; (c) specify the maximum share number and price for shares to be purchased for withdrawal; (d) determine the maximum time for which the Management Board shall be authorised to purchase the Company's own shares for withdrawal.
8. Having purchased the Company's own shares for withdrawal, the Management Board shall immediately convene the General Shareholders Meeting for it to resolve upon share withdrawal and shareholders equity decrease.

IV. THE COMPANY'S GOVERNING BODIES

Article 9

The Company's governing bodies are:

- A. Management Board,
- B. Supervisory Board,
- C. General Shareholders Meeting.

1. MANAGEMENT BOARD

Article 10

1. The Management Board shall be composed of one to seven executives called for one joint term. The Management Board's term shall be three years.
2. The Supervisory Board shall appoint the President of the Management Board (*Prezes Zarzqdu*) and, upon proposal by the President of the Management Board, the remaining Management Board Members.
3. The Supervisory Board shall determine the number of Management Board Members for any given term.
4. The Supervisory Board may recall the President of the Management Board, any Management Board Member or the whole of the Management Board before the term of the Management Board lapses.

Article 11

1. The Management Board shall exercise all rights relating to carrying on the Company's business except for any entitlements, rights, privileges reserved by law or these Articles of Association to other governing bodies of the Company.
2. The Management Board's *modus operandi*, as well as any other business that might be entrusted to the individual Members, shall be determined in detail by the Management Board Rules of Procedures. The Management Board Rules of Procedures shall be resolved upon by the Company's Management Board and approved of by the Supervisory Board.
3. The Management Board is quorate when the most of the Management Board Members are present at the Management Board session.
4. The Management Board resolutions shall be passed with an absolute majority of votes. In case of equal votes cast in favour and against the resolution the vote cast by the Management Board President shall prevail
5. The following actions shall require unanimous, prior resolution of the Management Board:
 - 1) consenting to a new cash loan or credit if the value of the one-off transaction exceeds PLN 2,000,000;
 - 2) granting a loan or credit if the value of the one-off transaction exceeds PLN 2,000,000;
 - 3) making or directly undertaking to incur capital expenditures or expenses, with the proviso, however, that such consent will not be required if the expenditure does not exceed PLN 2,000,000 in one single transaction or as part of related transactions;
 - 4) expressing consent to the purchase or sale by the Company of real estate, perpetual

- usufruct or a share in real estate with a value exceeding PLN 1,000,000;
- 5) granting new sureties, guarantees and other forms of assuming third party liabilities with a value exceeding PLN 2,000,000;
 - 6) acquisition, subscription, sale or imposition of encumbrances on rights and obligations, shares or stocks in other companies or assets of or an organized part of the enterprise of another company or companies, in any case where the value of the subject of the contract exceeds PLN 2,000,000;
 - 7) acquisition, sale, transfer, and commitment/undertaking to purchase, sell or transfer, imposition of encumbrances, rent/lease of key tangible or intangible assets, if the value of the subject of the contract exceeds PLN 2,000,000.

Article 12

1. Should the Management Board consist of many Members, two Management Board Members jointly or one Management Board Member along with a proxy (*prokurent*) shall be entitled to represent the Company and to act in the Company's name and on its behalf.
2. Should the Management Board consist of one person, it shall be the President of Management Board who will have single authorisation to represent the Company and act for or on behalf of the Company.

Article 13

1. In the contract between the Company and any Management Board Member as well as in any dispute with the latter, the Company is represented by the Supervisory Board or any attorney, assignee, plenipotentiary duly authorised by the General Shareholders Meeting resolution.
2. The Company's employees report to the Management Board. The Management Board or any person authorised by the Management Board shall enter into and dissolve the employee labour contracts and shall determine the employee wages/salaries whereas an authorised person shall be construed under this provision as including the President of the Management Board.

B. SUPERVISORY BOARD

Article 14

1. The Supervisory Board shall consist of at least five and maximum seven Supervisory Board Members. The Supervisory Board's term shall be three years and be shared by all Supervisory Board Members.
2. The Supervisory Board Members shall be appointed and asked to stand down by the General Assembly.

Article 15

1. The Supervisory Board shall choose a Chairperson and one to two Deputy Chairpersons and a Secretary from amongst its Members.
2. The Supervisory Board Chairperson shall convene and chair the Supervisory Board meetings. The Supervisory Board Chairperson or any receding Supervisory Board Member authorised by the Supervisory Board shall convene and open the first session of the newly elected Supervisory Board and shall chair it until the new Chairperson is chosen. If within one month of the constitution of the new Supervisory Board the first session of the newly elected Supervisory Board is not convened, it may be convened and chaired by the President of the Management Board until the new Chairperson is chosen.

Article 16

1. The Supervisory Board shall hold its sessions at least once in a quarter.
2. Between the Supervisory Board sessions, the Supervisory Board shall be represented vis-à-vis the Management Board by the Supervisory Board Chairperson or, in his/her absence, by the Supervisory Board Member selected by the Supervisory Board Chairperson.
3. The Supervisory Board Chairperson or, in his/her absence, one of his/her deputies shall have the obligation to convene the session upon written proposal by at least one Supervisory Board Member. Such session shall be called within two weeks of the proposal submitted date.

Article 17

1. For the Supervisory Board to have the quorum, all Supervisory Board Members must be invited in writing, such invitation to be served upon them seven days prior to the posted session date at the latest.
2. Without the Supervisory Board meeting in session, resolutions may be passed if all Supervisory Board Members have consented in writing to any decision which is scheduled to be made or to resolution by notational voting using written circulations (*tryb obiegowy*).
3. Any Supervisory Board Member may participate in passing Supervisory Board resolutions by casting his/her vote through any other Supervisory Board Member provided that conclusively binding laws be respected.
4. The Supervisory Board may pass resolutions using means of remote direct communications provided that conclusively binding laws be respected.
5. The Supervisory Board shall pass its resolutions with an absolute majority of the Supervisory Board Member votes, with at least half the Supervisory Board composition present. The absolute majority of votes shall be understood as more than half of the votes cast.
6. The Supervisory Board shall resolve upon its Standing Rules to define details of its *modus operandi*.

Article 18

1. The Supervisory Board may delegate its Members to individually exercise different supervising functions.
2. If the General Shareholders Meeting selects the Supervisory Board by voting in separate groups, the Supervisory Board Members selected by each of such groups may delegate one member to permanently individually exercise supervising functions.

Article 19

1. The Supervisory Board shall supervise the Company's operations.
2. In addition to matters set forth in the Law, other provisions of these Articles of Association or in General Shareholders Meeting resolutions, the Supervisory Board's responsibilities shall include:
 - 1) reviewing the Annual Report and the Management Board Report,
 - 2) selecting auditors for financial accounts,
 - 3) appraising the Company's business plans,
 - 4) submitting to the General Shareholders Meeting written statements of outcomes of activities set forth under 1) - 3) above,
 - 5) reviewing the Management Board's proposals for profit distribution and loss coverage,
 - 6) consenting to contracting any monetary loan or credit, if the single transaction value exceeds 10% of the Company's equity as per the most recent balance sheet approved by the General Shareholders Meeting,
 - 7) consenting to any disposal of assets with the carrying value exceeding 10% of the Company's equity as per the most recent balance sheet approved by the General Shareholders Meeting,

- 8) consenting to the Company acquiring and disposing of real estate, perpetual usufruct or interests-shares in real estate,
- 9) consenting to the Company subscribing to, purchasing or disposing of shares in partnerships and companies governed by the Commercial Code, if the single transaction value exceeds 10% of the Company's equity as per the most recent balance sheet approved by the General Shareholders Meeting,
- 10) appointing and recalling Management Board Members, suspending and unsuspending Management Board Members,
- 11) determining remuneration principles for the Management Board Members,
- 12) delegating Supervisory Board Members to temporarily exercise functions of the Management Board Members who are prevented from exercising their functions, in case of being suspended or recalled or where they cannot fulfill their duties for other reasons,
- 13) determining emoluments for any Supervisory Board Member delegated to temporarily exercise functions of the Management Board Member,
- 14) previously reviewing and providing opinion on matters to be deliberated upon by the General Shareholders Meeting,
- 15) upon Management Board motion, analysing and accepting the Company concluding agreements/transactions with related parties, save for typical agreements/transactions, made At arm's length, within the confines of the operating activities of the Company, with the associated/subsidiary entity where the Company is a shareholder,
- 16) other activities proposed by the Management Board.

Article 20

1. The Supervisory Board shall appoint the audit committee from among its members.
2. Particularly, the assignments of the Audit Committee shall include:
 - a) monitoring financial reporting process;
 - b) monitoring the efficiency of internal controls, internal audit and risk management;
 - c) monitoring financial revision activities;
 - d) monitoring the independent nature of a chartered accountant and the entity authorised to audit financial statements.
3. Should the Supervisory Board consist of not more than five members, the tasks of the Audit Committee can be performed by the Supervisory Board itself.

Article 21

The Supervisory Board Members' emoluments shall be determined by the General Shareholders Meeting.

C. GENERAL SHAREHOLDERS MEETING

Article 22

1. The General Shareholders Meeting shall be summoned by the Management Board.
2. The Ordinary General Shareholders Meeting shall be held within 6 months of each fiscal year-end.
3. The Extraordinary General Assembly shall be summoned by the Management Board on the latter's own initiative, upon written motion by the Supervisory Board or any shareholder or shareholders representing at least 5% of the shareholders equity.
4. The Management Board shall summon the Extraordinary General Shareholders Meeting within two weeks of the motion as set forth in Clause 3 herein above.
5. The Supervisory Board shall summon the General Shareholders Meeting:
 - a) where the Management Board has failed to summon the Ordinary General Shareholders Meeting in prescribed time,

- b) if, in spite of the motion as set forth in Clause 3 herein above, the Management Board has failed to summon the Extraordinary General Shareholders Meeting in time as referred to herein above in Clause 4,
 - c) if it deems its summoning prescribed.
6. The shareholders representing at least half the shareholders equity of the Company or at least half of all the voting rights of the Company may summon the Extraordinary Shareholders Meeting. The shareholders shall appoint the Chairperson of such meeting.

Article 23

1. The General Shareholders Meeting's agenda shall be set up by the Management Board in agreement with the Supervisory Board.
2. The agenda of the General Assembly as convened pursuant to the procedure as set forth in Art. 21 Para. 5 shall be defined by the Supervisory Board.
3. The Supervisory Board as well as any shareholder/shareholders representing at least 5% of the shareholders equity may demand individual matters being put on the agenda of the General Shareholders Meeting.

Article 24

The General Shareholders Meeting sessions shall be held in Warsaw, in the registered offices of the Company, or in Piekary Śląskie, Poland.

Article 25

The General Shareholders Meeting may pass resolutions disregarding the number of shareholders present or shares represented provided that conclusively binding laws be respected.

Article 26

1. The General Shareholders Meeting resolutions shall be passed with ordinary number of votes unless these Articles of Association or conclusively binding laws provide otherwise. Ordinary vote majority shall be understood as the number of 'in favour' votes cast being higher than those cast 'against', while 'abstained' votes are disregarded.
2. Notwithstanding Clause 3 herein above, resolutions on some matters to be removed from the General Shareholders Meeting agenda shall be passed with the majority of $\frac{3}{4}$ (three fourth) votes cast in the presence of shareholders representing at least 50% of the shareholders equity or be void, subject to Para. 3.
3. Removing matters from the General Shareholders Meeting agenda upon demand posted in pursuance to Art. 400 or 401 of the Commercial Code must be consented to by the shareholder who posted such demand.

Article 27

1. Voting procedure at the General Shareholders Meeting shall be open. Secret voting shall be ordered with the choosing/electing procedures and with motions demanding any members of the governing bodies or the Company's liquidators to be asked to stand down or recalled or when they are made liable and accountable, and with any personal matters.
2. Any resolution upon a matter material to the Company's business purpose being changed must be passed by way of open voting in person.
3. The Company purchasing or disposing of any real estate, perpetual usufruct or share/interest in the real estate shall not require the General Shareholders Meeting's consent.

Article 28

1. The General Shareholders Meeting session shall be opened by the Chairman of the Supervisory Board or any other person selected by him/her upon which the General Shareholders Meeting's Chair shall be elected from amongst those authorised to vote.
2. The General Assembly shall resolve upon its Standing Rules.

V. THE COMPANY'S ORGANISATION

Article 29

The Company's organisation shall be defined by the Rules of Organisation as resolved by the Management Board and approved by the Supervisory Board.

Article 30

The Company's fiscal year shall be calendar year.

Article 31

The Management Board shall, within three months of the fiscal year-end, make and submit, to the Supervisory Board, the annual financial statement including Management Report.

Article 32

1. The Company's profits may be, in particular, earmarked for:
 - 1) reserves,
 - 2) purpose-specific provisions (funds),
 - 3) dividends,
 - 4) other purposes as resolved by the General Shareholders Meeting.
2. The General Shareholders Meeting shall, by way of Shareholder Meeting resolutions, make and dissolve purpose-specific provisions (funds).
3. The Shareholders Meeting resolution upon annual profit distribution to shareholders shall specify the time for the dividend payment to the shareholders and the date the dividend right was established.

VI. MISCELLANEOUS

Article 33

[Poland's] Commercial Company Code regulations and conclusively binding laws shall apply to any matters not governed by these Articles of Association.