

# STATUTES OF A JOINT STOCK COMPANY

## I. General provisions

### § 1.

1. The business name of the Company is "STALPROFIL" Spółka Akcyjna.
2. The Company may use the abbreviated business name of "STALPROFIL" S.A. and a distinguishing graphic symbol.
3. The Company has its registered seat in Dąbrowa Górnicza.
4. The term of the Company is unspecified.

### § 2.

The Company was created as a result of transformation of a limited liability company operating under the business name of Przedsiębiorstwo Handlowo-Usługowe "STALPROFIL" Spółka z ograniczoną odpowiedzialnością with its seat in Dąbrowa Górnicza.

### § 3.

1. The Company operates on the territory of the Republic of Poland and abroad.
2. The Company may establish and close branches, plants, representative offices and other units as well as participate in business organizations, set up companies and acquire shares therein or participate in other ventures, including ventures of economic nature.

### § 4.

The Company operates pursuant to these Statutes, the Commercial Companies Code and other applicable provisions of law.

## II. Objects of the Company

### § 5.

The Company's objects are as follows:

- 1) PKD 2511Z - Manufacture of metal structures and their parts,
- 2) PKD 2593Z - Manufacture of products from wire, chains and springs ,
- 3) PKD 3299Z - Production of other products, not classified elsewhere,
- 4) PKD 2599Z - Production of other finished metal products, not classified elsewhere,
- 5) PKD 4671Z - Wholesale of fuels and related products,
- 6) PKD 4672Z - Wholesale of metals and metal ores,

- 7) PKD 4673Z - Wholesale of wood, construction materials and sanitary equipment,
- 8) PKD 4677Z - Wholesale of waste and scrap,
- 9) PKD 4941Z - Road transport of goods,
- 10) PKD 5210B - Storage and warehousing of other products,
- 11) PKD 5221Z - Service activity supporting land transport ,
- 12) PKD 6499Z - Other financial service activity, not classified elsewhere, except for insurance and pension funds,
- 13) PKD 6619Z - Other activity supporting financial services, except for insurance and pension funds ,
- 14) PKD 7320Z - Market research and public opinion polling,
- 15) PKD 7022Z - Other consultancy related to business activity and management ,
- 16) PKD 2561Z - Processing metals and coating metals,
- 17) PKD 2229Z - Manufacturing other products from plastics,
- 18) PKD 4221Z - Works related to the construction of transmission pipelines and distribution networks
- 19) PKD 4399Z - Other specialist construction works, not classified elsewhere

Company exports and imports goods and services referred to in items 1-19.

### **III. Share capital**

#### **§ 6.**

1. The Company's equity capital is covered with share capital of Przedsiębiorstwo Handlowo-Usługowe "STALPROFIL" Sp. z o.o., in which the Company's share capital constitutes PLN 400,000 (four hundred thousand zlotys), while the remaining portion of equity constitutes the Company's supplementary and reserve capital.

2. The allocation of special funds in accordance with their balance as at the balance sheet opening day is the same as that of the special funds existing as at the date of closing balance for the limited liability company referred to in § 2 hereof.

#### **§ 7.**

1. The initial capital of the Company amounts to PLN 1,750,000 (one million seven hundred fifty thousand) and is divided among 17,500,000 (seventeen million five hundred thousand) shares with face value of 10 (ten) grosz each, composed of:

1) 4,000,000 (four million) A-series shares with numbers from A 0 000 001 to No. A 4 000 000,

2) 5500,000 (five million five hundred thousand) B-series shares with numbers from B 0 000 001 to No. B 5 500 000

- 3) 8,000,000 (eight million) C-series shares with numbers from C 0 000 001 to No. C 8 000 000
2. The shares specified in sec. 1.1 are registered shares with 5:1 preference as to the right to vote at the General Meeting when compared to ordinary shares
3. The shares specified in sec. 1.2 and 1.3 are ordinary bearer's shares.
4. All A, B and C series shares carry the same right in respect to dividend.
5. The shares of future issues shall be designated with subsequent letters of the alphabet and shall not be subject to preference.
6. Shares may be redeemed (voluntary or statutory redemption) to the extent and on principles specified in separate provisions.
7. The Company may issue bonds, including convertible bonds.

#### **IV. Capitals and funds**

##### **§ 8.**

1. The Company sets up the following capitals:
  - 1) share capital,
  - 2) supplementary capital.
  - 3) reserve capital.
2. Upon a resolution adopted by the General Meeting the Company may create and release other capitals and funds at the start or in the course of a financial year.
3. The decisions on allocation and use of the capitals are taken by the General Meeting based on applicable provisions.
4. The Company shall establish a social benefits fund charged in the costs of its operations, subject to the principles provided in applicable regulations.
5. Upon a resolution of the Management Board, the Company may create other special-purpose funds to be charged in the operating costs in case the applicable provisions impose such an obligation.

#### **V. Company's governing bodies**

##### **§ 9.**

The Company's governing bodies shall be:

1. Management Board,
2. Supervisory Board,
3. General Meeting.

##### **A. MANAGEMENT BOARD**

##### **§ 10.**

1. The Company's Management Board shall comprise two to four members appointed for the common term of five years upon a resolution adopted by the Supervisory Board stipulating also the number of Management Board members. Management Board members are dismissed upon a resolution adopted by Supervisor Board or General Meeting.
2. The first Management Board members shall be appointed upon a resolution of the General Meeting for the common term of two years.
3. The Supervisory Board shall elect the Management Board chairperson from among the Management Board members.
4. The Supervisory Board shall fix remuneration for the members of the Company's Management Board who are employed under a contract of employment or another type of contract.

§ 11.

1. The Management Board shall be responsible to take all decisions which are not reserved to be the responsibility of the other governing bodies
2. The Management Board shall manage the Company's business and represent it before the court and otherwise.
3. The Management Board operates in accordance with these Statutes and the Management Board's Regulations adopted by the Supervisory Board.
4. The Company may be represented jointly by two Management Board members or a Management Board member together with a proxy holder.
5. Appointment of a proxy holder shall require the consent of all management board members. Proxy may be revoked by each member of the management board.

§ 12.

The Supervisory Board Chairman or another member of the Supervisory Board shall be entitled to represent the Company in legal transactions with the Management Board members and in disputes between the Company and Management Board members, by proxy of the Supervisory Board.

**B. SUPERVISORY BOARD**

§ 13.

1. Board of Supervisors consists of 7 (seven) members appointed by General Meeting resolution for five year common term.
2. In case of any reason expiry of no more than two members of Board of Supervisors' mandates, Board of Supervisors may perform duties in minimized personnel however then it (the personnel) should be complemented up to 7 (seven) members by appointing missing Board of Supervisors' members at the nearest General Meeting.

§ 14.

1. The Supervisory Board elects the Chairperson and Deputy Chair from among its members and dismisses them in secret ballot.
2. Supervisory Board is convened as needed, but at least three times in each financial year.
3. The Chair of the Supervisory Board of previous term convenes and opens the first meeting of the new Board and chairs the same until the Chairperson of the new Supervisory Board is elected.
4. In case of failure to convene the meeting of new Supervisory Board within one month, the meeting is convened and opened by the Management Board member.  
The time limit of one month shall start on the date of notifying the previous-term Supervisory Board Chair about appointment of new-term Supervisory Board members by the General Meeting.
5. The Chair of the Board or his/her Deputy is obliged to convene a meeting of Supervisory Board at the written request of the Company's Management Board or one member of the Supervisory Board.
6. The meeting should be held within two weeks following the date of submission of the said request.

§ 15.

1. Supervisory Board members shall exercise their rights and duties in person.
2. Supervisory Board members shall receive remuneration in the form and amount fixed by the General Meeting.
3. Supervisory Board operates on the basis of these Statutes and the Regulations established by the Board.

§ 16.

1. The following requirements shall be met for validity of resolutions adopted by the Supervisory Board:
  - 1) all Board members must be notified about the meeting,
  - 2) at least 5 (five) Board members appointed for a given term must attend the meeting.
2. The Supervisory Board shall adopt resolutions by absolute majority of votes cast by its attending members. Resolutions on dismissal or appointment of each or all Management Board member(s) shall be taken by a qualified majority of 5/7 (five seventh) votes cast by the attending members, where at least six Board members shall attend.
3. Within the scope and on conditions stipulated in the Commercial Companies Code, the Supervisory Board members may participate in adopting Supervisory Board's resolutions in writing or with the use of means of instantaneous communication.

§ 17.

In exercising on-going supervision over the Company's operations, the Supervisory Board shall in particular be competent to:

- 1) approve the Regulations for the Company's Management Board and Organizational Regulations for the Company's undertaking,
- 2) appoint and dismiss Management Board members, as well as determine the rules for and amount of remuneration for the Management Board members,
- 3) suspend all or one of Management Board members in their duties for important reasons,
- 4) delegate Supervisory Board members to temporarily perform the duties of the Company's Management Board members who are incapable of performing their activity, and fix remuneration for such members,
- 5) grant a permit for establishing plants or branches abroad, at the request of the Management Board,
- 6) give permission to the Management Board members to engage in competitive business as stipulated in the Commercial Companies Code or to participate in a competitive company,
- 7) elect the entity authorized to audit financial statements,
- 8) assess of the balance sheet and profit and loss statement, both as to their conformity with books and documents, as well as with the actual situation,
- 9) assess the Company's Management Board's report and motions relating to the distribution of profits or financing of losses,
- 10) submit to the General Meeting the annual written report on the results of the assessment stipulated in sec. 8 and 9, as well as request that Management Board members be discharged from liability for their duties,
- 11) request reports and explanations from the Management Board and Company's employees.
- 12) audit the Company's assets and check books and documents
- 13) provide consent to establish another company, subscribe for, acquire or dispose of stocks or shares in other companies, with the exception of situations where such subscription or acquisition is done in return for the Company's debts under composition or settlement proceedings or enforcement proceedings,
- 14) establish the manner of exercising the voting right in the governing bodies of the companies in which the Company holds over 50% of share capital, on matters relating to:
  - amendment of the company's statutes or articles of association.
  - increase or reduction of the company's capital,
  - merger, transformation, dissolution or liquidation of the company,
  - disposal of stocks or shares in the company,
  - disposal or lease of the company's undertaking, encumbrance of the same with the right of usufruct or disposal of the company's real property,
- 15) establish a consolidated text of the Company's amended Statutes or implement other editorial changes as specified in a resolution adopted by the General Meeting,
- 16) consent to acquisition and disposal of real property, perpetual usufruct, or share in real property.

### C. GENERAL MEETING

#### § 18.

1. The General Meeting shall be Annual or Extraordinary. General Meetings are held at the Company's seat in Katowice, Kraków or Warszawa.

2. Annual General Meeting is convened by the Management Board by June 30 each year, at the latest.
3. Extraordinary General Meeting is convened by the Management Board of the Company:
  - 1) on its own initiative as needed,
  - 2) at the written request of the Supervisory Board,
  - 3) at the request of shareholders representing at least 1/20 of the share capital.
4. Convocation of Extraordinary General Meeting on the basis stipulated in clause 3, items 2-3 shall be made within two weeks from the date of filing the request.
5. Supervisory Board may convene the Annual General Meeting if it is not convened by the Management Board within the time limit specified in clause 2, and the Extraordinary General Meeting if it deems it necessary to do so.
6. Shareholders representing at least a half of the share capital, or at least half of the total number of votes in the Company may convene an Extraordinary Shareholders Meeting. Shareholders appoint the chairman of the meeting.”

§ 19.

1. General Meeting may adopt resolutions only in matters included in the agenda, with the exception of cases:
  - 1) when the entire share capital is represented at the General Meeting, and none of those attending the meeting raised any objections to the adoption of the resolution,
  - 2) if the resolution applies to the convocation of extraordinary General Meeting or motions in respect of the agenda.
2. The agenda of the General Meeting shall be established by the Management Board of Directors or, in the case specified in § 18 clauses 5 and 6 - the person convening the General Meeting.
3. The Supervisory Board and shareholders representing at least 1/20 of the share capital may in writing request that certain issues be included in the agenda of the next General Meeting.
4. If the request, referred to in clause 3, is made later than 21 days before the set date of the General Meeting, it shall be treated as a request to convene an Extraordinary General Meeting.

§ 20.

1. The resolutions of the General Shareholder's Meeting shall be passed by an absolute majority of cast votes, apart from resolutions concerning:
  - amendments to the Company's Statute, including significant changes in the Company's business objectives, and on authorizing the Management Board to raise the initial capital up to the value of the target capital,
  - selling the company or its organized part,
  - mergers, transformations, dissolution or liquidation of the Company,
  - redemption of shares, unless at least half of the initial capital is represented at the General Meeting,
  - issue of convertible bonds and bonds with the right of priority to subscribe to shares,

- exclusion of shareholders from subscription to new shares,
- reduction of share capital,
- adjournment of a sitting of the General Meeting.

2. The General Meeting is opened by Supervisory Board Chairperson or a person appointed by him/her, and subsequently, the chairperson is elected from among those authorized to attend the General Meeting.

#### § 21.

In addition to the issues specified in § 20 sec. 1, resolutions of the General Meeting shall be required in particular to:

- 1) consider and approve Management Board report on the operations the Company's and the financial report for the previous financial year,
- 2) discharge the members of the Company's governing bodies from their duties distribute profits or finance losses,
- 3) take decisions concerning a redress of damage sustained when establishing the Company or in management or supervision of the Company,
- 4) lease the undertaking or its organized part and encumber the same with a limited right *in rem*,
- 5) establish and release special-purpose capitals and funds not provided for in law,
- 6) appoint and dismiss all or any of the Supervisory Board members and fix the form and amount of remuneration to be paid to them,
- 7) establish the date as of which the listing of shareholders eligible for dividend for a given financial year shall be prepared, within the time limit from the adoption of such resolution until three following months starting on that date,
- 8) establish the date of dividend payment,
- 9) dismiss or suspend a Management Board member in his/her duties,
- 10) use supplementary or reserve capital,
- 11) increase share capital from the Company's own funds,
- 12) appoint a proxy in case the Management Board may not act for the Company.

### **VI. Company administration**

#### § 22.

1. The financial year for the Company is a calendar year.
2. The first financial year starts on the date of the Company's registration and ends on 31 December 1998.
3. The organization of the Company's undertaking is specified in the Organizational Regulations established by the Management Board and approved by the Supervisory Board.

#### § 23.

1. The Company's Management Board shall, within five months after the end of a financial year, prepare and submit to the Supervisory Board for examination the balance sheet as at the last day of the year, the profit and loss account, detailed report on Company's operations and it is obliged to present an opinion and report on the examination of the financial statement prepared by a certified auditor.
2. The Supervisory Board shall be obliged to provide the General Meeting with an annual report on the activity of the Supervisory Board, and a report on the results of the examination of reports referred to in clause 1, including the assessment of Management Board's motions on distributing profit or covering loss.

#### § 24.

1. Allocation of clear profits is specified in the resolution adopted by ordinary General Meeting.
2. The Company's clear profits may be allocated in particular to:
  - 1) Write-offs to supplementary capital, pursuant to the provisions of the Commercial Companies Code,
  - 2) Other funds or other purposes as specified by resolution adopted by the General Meeting.
  - 3) Dividend for Shareholders,
3. The date of acquisition of the right to dividend and the time of its payment are specified by the General Meeting of Shareholders.

### **VII. Final provisions**

#### § 25.

The Commercial Companies Code shall apply to the extent not regulated herein.