

# **ARTICLES OF ASSOCIATION**

## **of WIKANA SPÓŁKA AKCYJNA**

### **UNIFORM TEXT**

#### **General provisions**

##### § 1

1. The business name of the Company is: **WIKANA Spółka Akcyjna**.
2. The Company may also use its abbreviated name WIKANA S.A. and its distinctive logo.

##### § 2

The registered seat of the Company is in **Lublin**.

##### § 3

The Company operates on the territory of the Republic of Poland and beyond its borders. The Company may establish and operate branches, affiliated entities, plants, enterprises and other organisational units inside and outside the country, and may join other companies inside and outside the country and participate in joint ventures determined by the appropriate agreements.

##### § 4

The Company operates pursuant to its Articles of Association, the Code of Commercial Partnerships and Companies and other law provisions applicable to joint-stock companies.

##### § 5

*deleted*

##### § 6

The object of the Company's activity according to the Polish Classification of Activities (PKD):

1. Crop and animal production, hunting and related service activities (PKD 01),
2. Forestry and logging (PKD 02),
3. Other mining and quarrying (PKD 08),
4. Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials (PKD 16),
5. Manufacture and supply of electricity, gas, steam, hot water and air for air conditioning equipment (PKD 35),
6. Construction works connected with the construction of buildings (PKD 41),

7. Construction works connected with civil engineering (PKD 42),
8. Specialised construction activities (PKD 43),
9. Wholesale and retail trade and repair of motor vehicles (PKD 45),
10. Wholesale trade, except of motor vehicles ( PKD 46)
11. Retail trade, except of motor vehicles ( PKD 47),
12. Land transport and transport via pipelines ( PKD 49)
13. Warehousing and support activities for transportation (PKD 52)
14. Accommodation (PKD 55)
15. Food and beverage service activities (PKD 56)
16. Financial service activities, except insurance and pension funding (PKD 64)
17. *Activities auxiliary to financial services and insurance activities (PKD 66)*
18. Real estate activities ( PKD 68)
19. Legal and accounting activities, tax advising activities (PKD 69)
20. Architectural and engineering activities; technical testing and analysis (PKD 71)
21. Advertising and market research, public opinion research (PKD 73),
22. Rental and leasing activities (PKD 77),
23. *Services to buildings and landscape activities (PKD 81),*
24. *Office administrative, office support and other business support activities (PKD 82).*

#### § 7

The term of the Company is unlimited.

#### § 8

The announcements of the Company required pursuant to law provisions shall be published in Monitor Sądowy i Gospodarczy unless otherwise provided in applicable law provisions.

### **Shares and shareholders**

#### § 9

The founders of the Company are the employees of Zakłady Przemysłu Odzieżowego „ELPO” in Legnica in liquidation, named in the Founding Deed for a Joint Stock Company.

#### § 10

1. The share capital of the Company accounts for PLN 33,533,119.20 (thirty three million five hundred thirty three thousand one hundred and nineteen 20/100 zloty) and is divided into 167,665,596 (one hundred sixty seven million six hundred sixty five thousand five hundred and ninety six) G series shares of nominal value of PLN 0.20 each
2. The share capital of the Company is increased conditionally by the amount of no more than PLN 700,000 (seven hundred thousand zloty) through the issuance of no more than 3,500,000 (three million five hundred thousand) H series bearer shares of nominal value PLN 0.20 (twenty grosz) each. The purpose of conditional increase in share capital is granting right to take-up series H shares for the holders of A, B and C series subscription warrants issued by the Company based on the Resolution No

19/VI/2011 of the Ordinary General Meeting dated June 28, 2011. The series H shares may be taken up by the holders of A, B and C series subscription warrants issued by the Company. The right to take up H series shares may be exercised until 31.12.2014.

3. The Company may issue debt securities, including convertible bonds, and bonds with pre-emptive right to take up the Company's shares.

#### § 11

1. The shares of the Company are ordinary bearer shares.
2. Starting on the date of registration of shares of a given series in the depository for securities maintained by the National Depository for Securities, the shareholder's right to claim the conversion of bearer shares into registered shares is excluded.
3. A shareholder bears any and all costs related to the conversion of shares.

#### § 12

1. The shares can be redeemed by shareholder's consent through the purchase of shares by the Company (voluntary redemption).
2. The redemption of the Company's shares requires a resolution of the General Meeting. The resolution regarding the redemption of shares should determine, in particular, the legal basis for redemption, the level of remuneration for a shareholder holding the redeemed shares or substantiation of the redemption of shares without remuneration and the way of decreasing the share capital.
3. The resolution on the redemption of shares shall be published.
4. The shares can be redeemed only through decreasing the share capital. The resolution on the decrease in share capital should be passed at the General Meeting during which the resolution on the redemption of shares was passed.
5. The resolution on the change to the Articles of Associations due to the redemption of shares shall be substantiated.
6. The Company may establish earmarked funds designated for the purchase of shares for redemption.

#### § 13

*Deleted*

### **Capitals and funds**

#### § 14

The Company's share capital may be increased through issuance of new shares pursuant to the resolution of the General Meeting of Shareholders.

#### § 15

1. The share capital of the Company may be decreased pursuant to the resolution of the General Meeting of Shareholders.
2. A decrease in the share capital of the Company may be effected through a decrease in the share's nominal value or through redemption of a part of shares.
3. A decrease in the share capital through redemption of shares is effected according to their nominal value.

#### § 16

1. The Company establishes supplementary capital and may establish reserve capital.
2. The General Meeting of Shareholders may establish investment fund and other funds provided in law provisions in force.
3. The supplementary capital and other funds mentioned in point 2 are established from the net profit of the Company.

#### § 17

1. The Company establishes supplementary capital from annual write-offs from the distributable profit, amounting to at least 8% /eight per cent/ of the net profit until such capital reaches the value of at least 1/3 (one third) of the share capital.
2. A supplementary capital is increased with the surplus achieved in case of the issuance of shares above their nominal value by the Company.
3. The use of a reserve capital and supplementary capital shall be decided by the General Meeting; however, the part of the supplementary capital accounting for 1/3 of the share capital may be used only to cover the loss reported in financial statement.

#### § 18

*Deleted*

#### § 19

- 1. The net profit of the Company is designated for the dividend payment, the Company's capitals and funds and for other purposes on the basis of the rules specified by the General Meeting.**
- 2. The amounts designated by the General Meeting for the dividend payment shall be divided among the shareholders in proportion to the number of shares held on the dividend date. The shareholders entitled to the dividend for a given financial year shall be those who were entitled to the Company shares on the dividend date.**

**3. The dividend date shall be determined by the General Meeting by means of a resolution.**

**4. The dividend payment may be effected also in a non-pecuniary form. The object of non-pecuniary dividend shall be determined by the General Meeting**

### **Authorities of the Company**

#### § 20

The authorities of the Company are the following:

1. General Meeting of Shareholders
2. Supervisory Board
3. Management Board

#### § 21

1. A General Meeting of Shareholders holds its meetings as ordinary or extraordinary.
2. An Ordinary General Meeting should be held within six months from the end of every financial year for the Company.

#### § 22

1. An Extraordinary General Meeting is convened by the Management Board to discuss issues requiring prompt decisions:
  - a/ on their own initiative,
  - b/ on the motion of the Supervisory Board,
  - c/ on the written motion of shareholders representing jointly at least one twentieth of the Company's share capital.
2. In the cases covered by points 1 b/ and 1 c/ the Management Board convenes the Extraordinary General Meeting within 14 (fourteen) days from placing such motion.
4. The motion regarding convening of the Extraordinary General Meeting should describe specific issues for the agenda.

#### § 23

1. A General Meeting of Shareholders is convened in the way stipulated in law provisions.
2. Proceedings of the General Meeting are opened by the Chairperson or Deputy Chairperson of the Supervisory Board, following which a Chairperson of the General Meeting is elected from among persons entitled to the participation in the General Meeting. In the absence of these persons the proceedings of the General Meeting are opened by the President of the Management Board or a person appointed by the Management Board.
3. A General Meeting may adopt its own Regulations.

## § 24

The resolutions passed by the General Meeting are valid irrespective of the number of shares represented at such General Meeting unless the Code of Commercial Partnerships and Companies stipulates otherwise.

## § 25

1. The following matters require a resolution of the General Meeting:

1. consideration and approval of the report of the Management Board on the Company's activities in a financial year, report of the Supervisory Board, annual financial statement, acknowledging the fulfilment of duties of the Company's authorities,
2. any decisions relating to claims for the rectification of damages caused during the establishment of the Company or during its management or supervision,
3. sale or lease of the Company's enterprise or its organised part and establishing a limited property right on such enterprise or its organised part,
4. deleted
5. issuing convertible bonds or bonds with pre-emptive rights,
6. share redemption in the case determined in art. 362 par. 1 point 2 of the Code of Commercial Partnerships and Companies,
7. allocation of profits or covering of losses,
8. amendments to the Company's Articles of Association,
9. establishing of principles for the remuneration of the members of the Supervisory Board,
10. increasing and decreasing the share capital,
11. determination of „date of establishing the right to a dividend“ and „date of dividend payment“.
12. other issues pursuant to the Articles of Association and the Code of Commercial Partnerships and Companies.

2. Purchase and disposal of a real estate, perpetual usufruct or a share in a real estate or in perpetual usufruct as well as establishing limited property rights on a real estate, perpetual usufruct or on a share in a real estate or in perpetual usufruct does not require a resolution of the General Meeting.

## § 26

1. The shareholders participating in a General Meeting have the number of votes equal to the number of shares held by them subject to the restriction that should the shareholder

exceed 66 % of the total number of votes the share of such shareholder in a total number of votes is reduced to 66 % of the total number of votes.

2. Shareholders may take part in the General Meeting and vote in person or through plenipotentiaries.

## **Supervisory Board**

### § 27

1. The Supervisory Board is a body consisting of 5 to 7 members, appointed for the term of office of 5 years by the General Meeting subject to provisions of par. 2.

2. Any time the number of the members of the Supervisory Board does not exceed 5 the Supervisory Board may appoint one member to its composition.

3. The members of the Supervisory Board are appointed for the joint term of office.

### § 28

1. For the validity of the resolutions of the Supervisory Board the presence of the majority of its members and inviting all its members is required.

2. The resolutions of the Supervisory Board are passed with an absolute majority of the votes cast by its members present at its meeting.

3. In case of equal distribution of votes, the vote of the Chairperson of the Supervisory Board shall be decisive.

4. The members of the Supervisory Board may take part in the adoption of resolutions by the Board casting their votes in writing with the intermediation of another member of the Supervisory Board. Voting in writing is not allowed in case of issues that were not introduced into the agenda at the meeting of the Supervisory Board.

5. The Supervisory Board may pass resolutions in writing. The resolution passed in this mode is valid if any and all members of the Board have been notified about the contents of the draft resolution.

6. Passing resolutions in the mode determined in points 4 and 5 does not relate to the election of the Chairperson and Deputy Chairperson of the Supervisory Board, appointment of the member of the Management Board and recalling or suspending such persons during their term of office.

### § 29

1. Members of the Supervisory Board exercise their rights and perform their duties only in person.

2. The Supervisory Board can pass resolutions if at least half of its members participate in

the meeting and all its members have been invited to the meeting in writing. The notice including the agenda and indicating the date and venue of the meeting of the Supervisory Board shall be sent by registered mail at least seven days before the appointed date of such meeting at the addresses indicated by the members of the Supervisory Board and sent within the same time period at email addresses indicated previously by the members of the Supervisory Board.

3. Moreover, the meeting of the Supervisory Board and passing resolutions by the Supervisory Board may take place in such a way that the members of the Supervisory Board participate in the meeting and in passing resolutions with the use of direct means of remote communication, provided that all members of the Supervisory Board participating in the meeting have been notified about the contents of draft resolutions. The members of the Supervisory Board have to confirm the fact of receiving the draft resolutions by fax or email no later than on the day following their reception. In this mode the Supervisory Board may not pass resolution concerning the election of the Chairperson, Deputy Chairperson or Secretary of the Supervisory Board, appointment, recalling or suspending the member of the Management Board and issues determined in art. 382 par. 3 of the Code of Commercial Partnerships and Companies.

4. The members of the Supervisory Board delegated to perform permanent individual supervision are bound by the non-compete clause relating also to the members of the Management Board, and by the restriction of participation in competitive companies.

## § 30

Competencies of the Supervisory Board include the following:

1. Examination of annual financial statements,
2. Examination of the report of the Management Board on the Company's activities in a financial year,
3. Suspending the activities of individual or all members of the Management Board for important reasons,
4. Delegating a member or members of the Supervisory Board to temporarily perform the duties of those members of the Management Board, who are not able to perform their duties,
5. Establishment of rules of setting remuneration for the members of the Management Board,
6. Approval of annual and multi-annual activity plans of the Company,
7. Giving consent, upon the Management Board's motion, to purchase and take-up shares in companies or join companies,
8. Giving consent to purchase and sale of a real estate or a share in such real estate and perpetual usufruct or a share in such perpetual usufruct and establishing limited property rights on a real estate or a share in such real estate or on perpetual usufruct or a share in



such perpetual usufruct if the net amount of the Company's obligation or right resulting from the above for a single transaction exceeds one-third of the share capital.

9. Approving the organisational structure of the Company.

10. Other issues pursuant to the Articles of Associations and the Code of Commercial Partnerships and Companies.

## **Management Board**

### § 31

1. The Management Board consists of 1 (one) to 5 (five) members and is appointed by the Supervisory Board.

2. The Supervisory Board determines the number of members of the Management Board.

### § 32

Deleted – Resolution No 1 of the Extraordinary General Meeting of Shareholders dated August 23, 1999.

### § 33

1. The term of office of the Management Board lasts three years and is a joint one.

2. The President of the Management Board manages the work of the Management Board. The President's specific rights are defined in the Regulations for the Management Board.

3. The resolutions of the Management Board are passed with an absolute majority of votes. In case of equal distribution of votes, the vote of the President of the Management Board of the Company shall be decisive.

### § 34

1. The Management Board has a duty to manage the Company's affairs with the highest diligence required in business trading, pursuant to law provisions in force, generally accepted customs, while observing the provisions of the Articles of Association and resolutions of the General Meeting and Supervisory Board.

2. In contracts between the Company and the members of the Management Board including those relating to the employment conditions the Company is represented by the Supervisory Board. Declarations of will on behalf of the Supervisory Board are made by a member or members of the Supervisory Board acting on the basis of authorisation granted in the appropriate resolution of the Supervisory Board.

### § 35

The scope of activities of the Management Board includes all matters not reserved for the competencies of the General Meeting or Supervisory Board.

### § 36

1. If the Management Board consists of several members, the following persons are authorised to represent the Company:
  - two members of the Management Board acting together,
  - one member of the Management Board acting together with the proxy.
2. If the Management Board consists of one member, the Member of the Board is authorised to represent the Company acting individually.
3. The proxies are appointed by the Management Board of the Company.
4. The Management Board may appoint plenipotentiaries.

### § 37

1. The Regulations of the General Meeting are adopted by the General Meeting.
2. The Regulations of the Supervisory Board, upon the motion of the Supervisory Board, are adopted by the General Meeting.
3. The Regulations of the Management Board, upon the motion of the Management Board, are adopted by the Supervisory Board.

### § 38

The Company's accounting and books are kept pursuant to law provisions in force in the Republic of Poland.

### § 39

The financial year of the Company corresponds to a calendar year.

### § 40

1. The Company's annual financial statement, annual Management Board report on the Company's activities in a financial year shall be prepared by the Management Board of the Company within 3 months after the end of a financial year and shall be examined by the General Meeting within the time defined in law provisions.
2. The certified copies of the Management Board's report on the Company's activities and of the financial statement together with the certified copy of the Supervisory Board's report and the opinion of the certified auditor shall be issued to the shareholders upon request no later than 15 days before the General Meeting.
3. The Supervisory Board appoints the certified auditor conducting the audit of the annual financial statement of the Company.

### § 41

1. The winding-up of the Company is conducted under the business name of the Company with the annotation "in liquidation".
2. The Company's liquidators are the members of the Management Board and a person appointed by the Supervisory Board.
3. The General Meeting may entrust other persons with the winding up of the Company.

§ 42

To all matters not regulated in these Articles of Association, the provisions of the Code of Commercial Companies and Partnerships and other law provisions shall apply.

President of the Supervisory Board  
of WIKANA SA

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Krzysztof Misiak