

MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE PUBLIC LIMITED COMPANY

"KRUK" - CONSOLIDATED TEXT

**§1**

**General provisions**

1. The Company operates under the name: "KRUK" Spółka akcyjna.
2. The Company can use an abbreviated name "KRUK" S.A. and a distinguishing logo.
3. The Company can also add a note "Systemy inkaso" (Collection systems) to the company name "Kruk",
4. The Company will be based in Wrocław.
5. The founders of the Company are:
  - (a) Piotr Krupa,
  - (b) Wojciech Kuźnicki and
  - (c) POLISH ENTERPRISE FUND IV, L.P.
6. The Company was established as a result of transformation of the limited liability company: "KRUK Spółka z ograniczoną odpowiedzialnością" in Wrocław.
7. The Company operates in and outside the Republic of Poland.
8. The Company can set up branches, divisions and agencies within its operating territory and hold interest in other companies home and abroad.

**§2**

**Business area**

1. The objects for which the Company is established are:
  - 1) (PKD 58.14.Z) publishing of journals and other periodicals,
  - 2) (PKD 64.19.2) other monetary intermediation,
  - 3) (PKD 66.19.Z) other activities auxiliary to financial services, except insurance and pension funding,
  - 4) (PKD 62.01.2) computer programming activities,
  - 5) (PKD 63.11.Z) data processing, hosting and related activities,
  - 6) (PKD 62.09.2) other information technology and computer service activities,
  - 7) (PKD 80.30.Z) investigation activities,
  - 8) (PKD 82.91.Z) activities of collection agencies and credit bureaus,

- 9) (PKD 64.99.Z) other financial service activities, except insurance and pension funding, n.e.c., including claims trading and management,
- 10) (PKD 64.92.Z) other credit granting,
- 11) (PKD 18.13.Z) pre-press and pre-media services,
- 12) (PKD 18.12.Z) other printing
- 13) (PKD 82.20.Z) activities of call centres
- 14) (PKD68.10.Z) buying and selling of own real estate
- 15) (PKD 47.99.2) other retail sale not in stores, stalls or markets
- 16) (PKD 47.91.Z) retail sale via mail order houses or via Internet
- 17) (PKD 45.11.Z) sale of cars and light motor vehicles
- 18) (PKD 45.19.Z) retail sale and wholesale of other motor vehicles, except motorcycles
- 19) (PKD 69.20.Z) accounting, book-keeping and auditing activities; tax consultancy.

2. If the Company needs a licence or permit to operate in a specific business area, the Company will not undertake such activities before it obtains the relevant licence or permit.

### **§3**

#### **Duration of the Company**

The Company shall have perpetual existence.

### **§4**

#### **Share Capital**

1. The share capital of the Company amounts to 19,011,045 (in words: nineteen million, eleven thousand and forty-five) zlotys and is divided into 19,011,045 (nineteen million, eleven thousand and forty-five) shares with the par value of 1 (one) zloty each, of which:

- (a) 2,692,220 (in words: two million six hundred ninety two thousand two hundred twenty) ordinary bearer shares of A series,
- (b) 11,366,600 (in words: eleven million three hundred sixty six thousand six hundred) ordinary bearer shares of AA series,
- (c) 1,250,000 (in words: one million two hundred fifty thousand) ordinary bearer shares of B series,
- (d) 491,520 (in words: four hundred ninety one thousand five hundred twenty) ordinary bearer shares of C series,
- (e) 1,100,000 (in words: one million one hundred thousand) ordinary bearer shares of D series,
- (f) 843,876 (in words: eight hundred forty three thousand eight hundred seventy six) ordinary bearer shares of E series,
- (g) 266,829 (in words: two hundred and sixty-six thousand, eight hundred and twenty nine) ordinary bearer shares of F series,

(h) 1,000,000 (in words: one million) ordinary bearer shares of G series.

2. A series shares and AA series shares referred to in par. 1 section (a) and section (b) above, are fully covered with the assets of the transformed company "KRUK" Spółka z ograniczoną odpowiedzialnością with the value of PLN 14 520 900 (in words: fourteen million five hundred

twenty thousand nine hundred zlotys). B series shares and C series shares referred to in par. 1 sections (c) and (d) were covered in full by contributions in cash.

3. Bearer shares of A, AA and B series referred to in par. 1 above will become bearer shares upon dematerialisation of a specific series of shares, i.e. A series shares, AA series shares and B series shares, according to Art. 5 par. 1 of the Act on Trading in Financial Instruments of 29 July 2005 (Dz. U. (Journal of Laws) of 2005, No. 183, item 1538, as amended).

4. Subject to par. 3 above, the change of registered shares into bearer shares is unacceptable.

5. The Company has the right to issue both registered and bearer shares.

6. The change of bearer shares into registered shares is unacceptable.

7. The shares can be covered by contributions in cash or in kind.

#### **§4a**

##### **Contingent increase of the share capital**

1. The share capital was conditionally increased by not more than PLN 845 016 (in words: eight hundred forty five thousand and sixteen zlotys) through issuance of not more than 845 016 (in words: eight hundred forty five thousand and sixteen) ordinary bearer shares of E series with the par value of PLN 1 (in words: one zloty) each.

2. The purpose of the contingent increase of the share capital referred to in par. 1 above, is the granting of rights to subscribe to E series shares to holders of subscription warrants issued

based on Resolution No. 1/2011 of the Extraordinary Meeting of Shareholders of 30 March 2011.

3. The beneficiaries of the rights to subscribe to E series shares will be holders of subscription warrants issued by the Company based on Resolution No. 1/2011 of the Extraordinary Meeting of Shareholders of 30 March 2011. Subscription warrants referred to in the preceding

sentence cannot be subject to encumbrance, are inherited and are not transferable except for the following cases:

(a) sale of the Subscription Warrants to the Company in order to redeem them;

(b) sale of the Subscription Warrants for the benefit of an entity or entities indicated by the Company; and

(c) sale of the Subscription Warrants in exceptional circumstances subject to previous approval expressed in a resolution of the Supervisory Board of the Company.

4. Holders of subscription warrants referred to in par. 3 above will be entitled to execute the right to subscribe to E series shares not earlier than after 6 months from the date of acquisition/taking hold of subscription warrants and not later than by 30 June 2016.

5. Holders of subscription warrants referred to in par. 3 above will be entitled to execute the right to subscribe to E series shares prior to the lapse of 6 months from the date of acquisition/taking hold of subscription warrants in a situation when prior to the lapse of this time limit:

(a) an entity other than Polish Enterprise Fund IV, L.P. will reach or exceed 50% votes at the General Meeting of Shareholders of the Company; or

(b) a call for sale of more than 33% of the Company's shares will be announced according to the Public Offer of Financial Instruments Act of 29 July 2005 (Le. Dz. U. (Journal of Laws) of 2009, No. 185, item 1439 as amended).

6. E series shares will be covered by contributions in cash.

#### **§4c**

1. The share capital was conditionally increased by not more than PLN 847 950,00 (in words: eight hundred forty seven thousand nine hundred fifty zlotys) through issuance of not more than 847 950 (in words: eight hundred forty seven thousand nine hundred fifty) ordinary bearer shares of F series with the par value of PLN 1 (in words: one zloty) each.

2. The purpose of the contingent increase of the share capital referred to in par. 1 above, is the granting of rights to subscribe to F series shares to holders of subscription warrants issued

based on Resolution No. 26/2014 of the Ordinary Meeting of Shareholders of 28 May 2014.

3. The beneficiaries of the rights to subscribe to F series shares will be holders of subscription

warrants issued by the Company based on Resolution No. 26/2014 of the Ordinary Meeting of Shareholders of 28 May 2014. Subscription warrants referred to in the preceding sentence

cannot be subject to encumbrance, are inherited and are not transferable.

4. Holders of Subscription Warrants other than Members of the Management Board will be authorised to execute rights to subscribe to F series shares under Subscription Warrants not earlier than after 6 months from the date of subscription to Subscription Warrants (lock-up for subscription of Series F shares by holders of Subscription Warrants) and not later than by 31 December 2022.

5. Holders of Subscription Warrants who are Members of the Management Board will be authorised to execute rights to subscribe to F series shares under Subscription Warrants not earlier than after 12 months from the date of subscription to Subscription Warrants (lock-up for subscription of Series F shares by holders of Subscription Warrants) and not later than by 31 December 2022.

6. Holders of Subscription Warrants issued as part of Tranche I will be authorised to execute rights to subscribe to F series shares under Subscription Warrants not earlier than after 12 months from the date of subscription to Subscription Warrants (lock-up for subscription of Series F shares by holders of Subscription Warrants) and not later than by 31 December 2022.

7. Holders of Subscription Warrants will be authorised to execute rights to subscribe to F series

shares under Subscription Warrants prior to the lapse of the time limit referred to in par. 4-6 if prior to the lapse of such a time limit a call to sell more than 33% of the Company's shares will be announced according to the Public Offer of Financial Instruments Act of 29 July 2005 (i.e. Dz. U. (Journal of Laws) of 2009, No. 185, item 1439 as amended).

8. F series shares will be covered by contributions in cash.

## **§5**

### **Redemption of shares**

1. The shares can be redeemed upon the approval of the shareholder by way of their purchasing by the Company. Voluntary redemption cannot take place more often than once in a financial year.
2. The redemption of shares must be approved in a resolution of the General Meeting. The resolution should determine, in particular, legal grounds for the redemption, amount of remuneration due to the shareholder of redeemed shares or reasons for redeeming the shares without consideration and the method of reducing the share capital.
3. The acquisition of own shares by the Company for redemption does not require an approval of the General Meeting of Shareholders subject to Art. 393 par. 6 of the Code of Commercial Companies and Partnerships.

## **§6**

### **Authorities of the Company**

The authorities of the Company are: the Management Board, the Supervisory Board and the General Meeting.

## **§7**

### **Composition and appointment of the Management Board**

1. The Management Board is composed of 3 (three) to 8 (eight) members, including the President of the Management Board and, if necessary, a Vice President or Vice Presidents of the Management Board.
2. The number of members of the Management Board, including Vice Presidents of the Management Board, is every time determined by the Supervisory Board upon a motion of the President of the Management Board.
3. The President of the Management Board is appointed and dismissed by the Supervisory Board.
4. Other members of the Management Board, including Vice Presidents of the Management Board are appointed and dismissed by the Supervisory Board whereas they will be appointed by the Supervisory Board upon a motion of the President of the Management Board.
5. If the President of the Management Board fails to submit the motion referred to in Art. 7 par. 2 above or does not propose candidate members of the Management Board according to Art. 7 par. 4 above within 7 (seven) days from the date on which he/she is appointed President of the Management Board or within 7 (seven) days from the date on which the number of members of the Management Board dropped below the minimum number determined in Art. 7 par. 1 above, the members of the Management Board will be appointed by the Supervisory Board in a number it deems sufficient at its own discretion.
6. Members of the Management Board are appointed for a 3-year joint term of office.
7. The powers of members of the Management Board expire on the day the General Meeting

approves the financial statements for the last full financial year during which they performed the functions of members of the Management Board.

8. The Supervisory Board will establish the rules of remuneration for members of the Management Board and the amount of remuneration for the President of the Management Board. Taking into consideration the principles of remuneration determined by the Supervisory Board, the President of the Management Board will submit requests to the Supervisory Board as regards the amount of remuneration for respective members of the Management Board other than the President of the Management Board that is approved by the Supervisory Board.

9. Subject to Art. 7 par. 1 above, the Supervisory Board can, for important reasons, appoint members of the Management Board and establish the amount of their remuneration.

10. The provisions of Art. 7 par. 2, par. 4, par. 5, par. 8 and par. 9 above will become effective upon dematerialisation of all A series shares, AA series shares, and B series shares according to Art. 5 par. 1 of the Act on Trading in Financial Instruments of 29 July 2005 (Dz. U. (Journal of Laws) of 2005, No. 183, item 1538, as amended). By this time the Management Board is appointed and dismissed by the Supervisory Board which also determined the number of members of the Management Board, rules of remuneration and amount of remuneration for members of the Management Board, including the President of the Management Board.

## **§8**

### **Powers and responsibilities of the Management Board**

1. The Management Board manages the affairs of the Company, manages its assets and represents the Company before courts, authorities and third parties. The Management Board

undertakes decisions in all matters not reserved by the provisions of these Articles for the Supervisory Board or the General Meeting.

1a. Decisions concerning the purchase or disposal of property, perpetual usufruct rights or interests in property by the Company if the VAT-exclusive purchase price or the VAT-exclusive sale price is no more than PLN 5,000,000 (five million złoty) shall be made by the Management Board.

2. The exclusive powers of the President of the Management Board comprise making decisions regarding set up and liquidation of units of organisation operating in the Company.

3. The Management Board operates according to these Articles and the Rules of the Management Board adopted by the Supervisory Board.

4. Resolutions of the Management Board are adopted by an ordinary majority of votes. In case of the equality of votes the President of the Management Board shall have a casting vote.

5. The meetings of the Management Board are convened by the President Board or in substitution by the Vice President of the Management Board, if any.

6. Members of the Management Board should be notified about the convened meeting of the Management Board in writing or via e-mail at least 3 days before the scheduled date of the meeting of the Management Board.

7. In emergency the President of the Management Board or in substitution the Vice President of the Management Board, if any, can determine another method and date of notification of the meeting of the Management Board to members of the Management Board.

8. The meetings of the Management Board are chaired by the President Board or in substitution by the Vice President of the Management Board, if any. The President of the Management Board or the Vice President of the Management Board taking the chair during a meeting of the management board is entitled to:

- (a) determine the agenda of the meeting of the Management Board;
- (b) change the agenda of the meeting of the Management Board;
- (c) order open or secret voting;
- (d) recognise respective members of the Management Board and reduce the speaking time for other members of the Management Board during the meeting;
- (e) order breaks in the meetings of the Management Board; and
- (f) formulate draft resolutions of the Management Board.

9. The Management Board is deemed capable of adopting resolutions if each of the members of the Management Board was effectively notified about the scheduled meeting of the Management Board and at least half of the total number of members of the Management Board is present during the meeting of the Management Board.

10. Subject to provisions of the Code of Commercial Companies and Partnerships, the Management Board can adopt resolutions in writing or by means of remote communication (on the telephone or in another way ensuring that all members of the Management Board can communicate with one another). The resolution passed as mentioned above is valid only if all members of the Management Board were notified about the contents of the draft resolution. The resolution is valid if it is signed by the absolute majority of members of the Management Board. Resolutions adopted via means of remote communication must be approved by the President of the Management Board who receives votes from other members of the Management Board - they will be approved by noting down the mode in which they were adopted and the votes given by respective members of the Management Board. In both resolution passing modes described above in case of equality of votes the President of the Management Board shall have a casting vote.

## **§9**

### **Representation**

1. Two members of the Management Board acting jointly or a member of the Management Board acting jointly with a proxy are authorised to represent the Company.
2. A proxy can be appointed upon approval of all members of the Management Board. The proxy can be withdrawn by the decision of each member of the Management Board.
3. Attorneys can be appointed to carry out specific tasks; they shall act independently within the limits of their powers granted by the Company.

## **§ 10**

### **Advance dividend**

1. Based on a resolution of the Management Board the Company can pay an advance to the shareholders for dividend expected at the end of the financial year if the Company has sufficient funds subject to respective provisions of the Code of Commercial Companies and Partnerships.
2. The advance will be paid upon the approval of the Supervisory Board expressed in a resolution.

## **§ 11**

### **Composition and appointment of the Supervisory Board**

1. The Supervisory Board is composed of 5 (five) or 7 (seven) members.
2. The Supervisory Board is appointed and dismissed by the General Meeting subject to provisions of par. 3-9 below. The number of members of the Supervisory Board will be determined by the General Meeting from time to time.
3. deleted
4. deleted
5. If Piotr Krupa holds shares of the Company going with 8% or more votes at the General Meeting, he shall be authorised to appoint and dismiss:
  - (a) 1 (one) member of the five-person Supervisory Board, including the Vice President;
  - (b) 2 (two) members of the seven-person Supervisory Board, including the Vice President.
6. deleted
7. deleted
8. The right to appoint and dismiss members of the Management Board vested in Piotr Krupa, as referred to in par. 5 above, is executed by delivering a written statement of appointment or dismissal of a member of the Supervisory Board to the Company. Along with the delivery of the statement referred to in the preceding sentence, Piotr Krupa is required to present to the Company a deposit certificate or deposit certificates issued by an investment firm or a trust bank maintaining the securities account in which the Company's shares confirming the fact that Piotr Krupa holds the number of shares of the Company indicated in this Art. 11 are recorded.
9. If Piotr Krupa does not appoint members of the Supervisory Board within 21 (twenty one) days from the date of expiry of the powers of members of the Supervisory Board appointed by him, members of the Supervisory Board not appointed according to par. 5 above will be appointed and dismissed by the General Meeting until Piotr Krupa or his legal successor executes the rights referred to in par. 5 above, after which the powers of members of the Supervisory Board appointed by the General Meeting will automatically expire according to this provision but without prejudice to the term of office of the specific Supervisory Board.
10. With reference to rights indicated in this Art. 11 vested in Piotr Krupa, 8% or more votes at the General Meeting will every time be the votes vested in Piotr Krupa, individually or through persons acting in consultation with him, i.e. persons indicated in Art. 87 par. 4 section 1 and section 2 of the Public Offer of Financial Instruments Act of 29 July 2005 (Le. Dz. U. (JL) of 2009, No. 185, item 1439, as amended) and entities in 100% controlled by Piotr Krupa.
11. Subject to mandatory legal regulations, the Supervisory Board which due to expiration of the powers of certain members of the Supervisory Board (otherwise than by dismissal) consists of less



members than indicated by the General Meeting according to par. 2 above is capable of passing valid resolutions until it is refilled.

12. A candidate member of the Supervisory Board or a member of the Supervisory Board appointed according to par. 3, par. 4 and par. 5 above should declare to the Company in writing, promptly after his/her appointment, that he/she satisfies the independence criteria determined in Annex 11 to the "Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board" and promptly inform the Company if the situation changes during the term of office.

13. Members of the Supervisory Board are appointed for a 3-year joint term of office.

14. The powers of members of the Supervisory Board expire on the day of the General Meeting approving the financial statements for the last full financial year during which they performed the functions of members of the Supervisory Board.

15. Members of the Supervisory Board terminating their office can be re-elected or re-appointed for a subsequent term of office.

## **§ 12**

### **Principles of operation of the Supervisory Board**

1. Members of the Supervisory Board execute their rights and fulfil their obligations in person.
2. Subject to provisions of Art. 11 par. 3, par. 4 and par. 5 above, the Supervisory Board will appoint the Chairperson and Vice Chairperson at the first meeting by secret ballot and by absolute majority of votes cast by members of the Supervisory Board present at the meeting.
3. The meeting of the Supervisory Board will be convened by the Chairperson and, if absent, by the Vice Chairperson.
4. At the request of the Management Board the meeting of the Supervisory Board should be held at the latest within 14 days from the date on which the request is submitted to the Chairperson or to the Vice Chairperson.
5. Members of the Supervisory Board will receive remuneration for performing their duties unless otherwise agreed by the authority or entities authorised appoint members of the Supervisory Board. The amount of remuneration for members of the Supervisory Board will be determined in the resolution of the General Meeting.
6. The Supervisory Board acts according to these Articles and the Rules of the Supervisory Board adopted by the General Meeting of Shareholders.

## **§ 13**

### **Resolutions of the Supervisory Board**

1. Resolutions of the Supervisory Board will be adopted by an absolute majority of votes of members of the Supervisory Board present at the meeting. In case of the equality of votes the Chairperson shall have a casting vote.
2. All members of the Supervisory Board must be invited to the meeting and at least half of the members must be present at the meeting or otherwise the resolutions of the Supervisory Board shall be null and void.

3. Subject to provisions of the Code of Commercial Companies and Partnerships, members of the Supervisory Board can take part in passing of the resolutions of the Supervisory Board by casting their vote in writing through another member of the Supervisory Board. A vote cast in writing cannot refer to items put on the agenda at the meeting of the Supervisory Board.

4. Subject to the provisions of the Polish Commercial Companies Code, the Supervisory Board may adopt resolutions by way of any of the following procedures: (a) in writing, (b) using means of distance communication only, or (c) in the mixed manner, i.e. when some members of the Supervisory Board attend a Supervisory Board meeting in person and at least one member of the Supervisory Board participates in the meeting using means of distance communication (phone call, video conference, or otherwise in a manner which guarantees communication among all the members of the Supervisory Board). A resolution passed by way of any of the above procedures shall be valid only if all members of the Supervisory Board have been duly notified of the content of the draft resolution and it has been signed by an absolute majority of the Supervisory Board members. If a resolution is to be adopted in writing, individual members of the Supervisory Board shall cast their votes in writing. Adoption of a resolution using means of distance communication shall be approved by the Chairperson of the Supervisory Board, who shall receive the votes of the other members. The approval shall be made by specifying in the resolution the adoption procedure and votes cast by each Supervisory Board member. In justified cases, meetings of the Supervisory Board may be held in accordance with the mixed procedure subject to prior consent of the Chairperson of the Supervisory Board. If the mixed procedure is applied, the Chairperson of the Supervisory Board or another member of the Supervisory Board who chairs a given Supervisory Board meeting or a person authorised by such member shall read out loud the resolutions or forward them in electronic form to all members of the Supervisory Board attending the meeting, following which they vote in turn for or against a resolution. The signature on behalf of a person taking part in the Supervisory Board meeting using means of distance communication shall be placed by the Supervisory Board member who chairs the meeting, specifying the manner in which that member participates in the meeting. In the case of all of the above procedures, in the event of a voting tie, the Chairperson of the Supervisory Board shall have the casting vote.

#### **§ 14**

##### **Powers and responsibilities of the Supervisory Board**

1. The Supervisory Board will supervise the activities of the Company in all business areas.
2. The powers and responsibilities of the Supervisory Board, apart from those specified in the Code of Commercial Companies and Partnerships, include in particular:
  - 1) evaluating the financial statements, report of the Management Board concerning the activities of the Company in the previous financial year in terms of their consistency with accounting books and documents as well as with the facts and evaluating the Management Board's conclusions regarding the distribution of profit or coverage of losses;
  - 2) presentation of the annual written report concerning the results of the evaluation referred to in 1 above to the General Meeting;
  - 3) appointing and dismissing the President of the Management Board;
  - 4) subject to Art. 7 par. 6 above, appointing members of the Management Board (including Vice Presidents of the Management Board) and dismissing the appointed members of the Management Board;

- 5) suspending, for important reasons, individual or all members of the Management Board and delegating members of the Supervisory Board to temporarily fulfil the functions of members of the Management Board who are not able to fulfil their functions;
- 6) determining, according to the request of the President of the Management Board, the rules and amount of remuneration for members of the Management Board;
- 7) determining the remuneration for the President of the Management Board;
- 8) approving annual financial plans (budget) and issuing opinions concerning strategic economic plans; whereas the budget should include at least a plan of income and costs for the specific business year, a forecast balance sheet as at the end of the business year and a plan of cash flow for the business year;
- 9) approving loans and credits incurred by the Company and issuing bonds not provided for in the budget above the accumulated amount equivalent to 10% of the Company's equity capitals per annum, except loans and credits incurred by the Company from entities forming part of the Capital Group KRUK. Any reference to the Capital Group KRUK in this article shall be interpreted as the Company and its subsidiaries as defined in the Accounting Act;
- 10) approving the establishment of securities, warranties and encumbrances on the assets of the Company not provided for in the budget above the accumulated amount equivalent to 10% of the Company's equity capitals per annum, except when the parties to the transaction are solely entities forming part of the Capital Group KRUK. The approval of the Supervisory Board will not be required for establishing securities and warranties for credits, loans and bonds covered by the budget or approved by the Supervisory Board according to 9);
- 11) approving liabilities incurred by the Company with reference to a single transaction or a series of related transactions with the total value exceeding the amount equivalent to 5% of the Company's equity capitals per annum, not provided for in the budget and not resulting from normal operating activities of the Company;
- 12) approving the acquisition of or subscription to interests or shares in other commercial companies and partnerships by the Company and the accession of the Company to other economic entities, except acquisition of or subscription to interests or shares in entities forming part of the Capital Group KRUK;
- 13) approving the acquisition or sale of the Company's assets with the value exceeding 15% (fifteen per cent) of the net book value of the Company established according to the last verified financial statements, not provided for in the budget, except when such assets are acquired or sold to entities forming part of the Capital Group KRUK;
- 14) approving the disposal or transfer of copyrights or other intellectual property, and in particular rights to patents and technologies and trademarks, except when the parties to the transaction are solely entities forming part of the Capital Group KRUK;
- 15) approving the employment of advisors and other third parties to by the Company or its subsidiaries as consultants, lawyers or agents, if the total annual costs related to employment of such persons, not provided for in the budget, incurred by the Company exceeded PLN 500,000.00 (five hundred thousand);
- 16) approving the rules of managerial options;

- 17) appointing the auditor to audit the annual financial statements of the Company referred to in Art. 395 of the Code of Commercial Companies and Partnerships, according to Polish and international accounting standards;
- 18) approving conclusion or change of contracts between the Company and the Company's subsidiary and the members of the Management Board of the Company or the members of the Supervisory Board;
- 19) approving the enforcement of all gratuitous regulations or incurring any gratuitous liabilities by the Company or the Company's subsidiary within the limits of the Company's business area in the amount exceeding PLN 1 000 000,00 (one million) per business year, except when the parties to the transaction are solely entities forming part of the Capital Group KRUK;
- 20) approving the enforcement of all, gratuitous regulations or incurring any gratuitous liabilities by the Company or the Company's subsidiary outside the limits of the Company's business area in the amount exceeding PLN 200,000 (two hundred thousand) per business year, except when the parties to the transaction are solely entities forming part of the Capital Group KRUK;
- 21) granting consent to the purchase or disposal of property, perpetual usufruct rights or interests in property by the Company if the VAT-exclusive purchase price or the VAT-exclusive sale price is PLN 5,000,000 (five million zloty) or more; and
- 22) other matters provided for in these Articles and the provisions of the Code of Commercial Companies and Partnerships.

## **§ 15**

### **Convention of the General Meeting**

1. The General Meeting can be either ordinary or extraordinary.
2. General Meetings will be held at the Company's registered office or in Warsaw.
3. An Ordinary General Meeting should be held within 6 (six) months after the lapse of each financial year.
4. An Extraordinary General Meeting will be convened by:
  - (a) the Management Board upon its own initiative or at the request of a shareholder or shareholders referred to in par. 5 below;
  - (b) the Supervisory Board if the appointment of an Extraordinary General Meeting is deemed, expedient;
  - (c) shareholders representing at least half of the share capital of the Company or at least half of the number of votes in the Company;
  - (d) shareholders authorised by the court of registration pursuant to Art. 400 par. 3 of the Code of Commercial Companies and Partnerships.
5. A shareholder or shareholders representing at least  $1/20$  of the Company's share capital can request an Extraordinary General Meeting to be convened and specific items to be put on the agenda of such a General Meeting. The request to convene an Extraordinary General Meeting should be submitted to the Management Board in writing or in an electronic form. The Extraordinary General Meeting of

Shareholders should be convened within two weeks from the presentation of the shareholder's or the shareholders' request to the Management Board.

6. The General Meeting will be convened by way of an announcement published on the Company's website and in a manner determined for ongoing communication according to the Public Offer of Financial Instruments Act of 29 July 2005. The announcement should be published at least 26 (twenty six) days prior to the date of the general meeting.

7. The General Meeting will act according to these Articles and based on self-adopted Rules of the General Meeting.

## **§16**

### **Resolutions of the General Meeting**

1. Shareholders can attend the General Meeting and execute their voting rights in person or through an attorney.
2. Each share goes with one vote at the General Meeting.
3. The General Meeting is valid regardless of the number of shares represented thereat unless otherwise stipulated by the Code of Commercial Companies and Partnerships.
4. Resolutions of the General Meeting will be adopted by an absolute majority of votes unless otherwise stipulated by the Code of Commercial Companies and Partnerships or by these Articles.
5. If Piotr Krupa holds shares of the Company going with 8% or more votes at the General Meeting, the amendment of the Articles regarding the rights following from Art. 11 par. 5 above requires a positive vote of Piotr Krupa.

## **§17**

### **Significant change in the business object**

Resolutions of the General Meeting concerning a significant change in the business object of the Company will be valid without buying out the shares of shareholders not approving of such a change insofar as they are adopted by a majority of two thirds of votes in the presence of parties representing at least half of the share capital.

## **§ 18**

### **Powers and responsibilities of the General Meeting**

1. The powers and responsibilities of the General Meeting include in particular:
  - 1) reviewing and approving the report of the Management Board concerning the activities of the Company and the financial statements for the previous financial year;
  - 2) distribution of profit or coverage of loss;
  - 3) granting acknowledgement of fulfilment of obligations to members of the Management Board and members of the Supervisory Board;
  - 4) decisions concerning claims to remedy a loss caused by the establishment of the Company or its management or supervision;

- 5) selling and leasing out the business of the Company or an organised part thereof and establishing a limited property right thereupon;
  - 6) amending these Articles;
  - 7) increasing or decreasing the share capital;
  - 8) mergers, divisions or transformations of the Company;
  - 9) dissolving the Company and opening the liquidation procedure;
  - 10) adopting the Rules of the General Meeting and the Rules of the Supervisory Board;
  - 11) review and settlement of requests presented by the Supervisory Board;
  - 12) other matters reserved for the General Meeting by the provisions of law or these Articles.
2. No resolution of the General Meeting shall be required for the acquisition or disposal of any property, interests in property or perpetual usufruct rights.

#### **§19**

##### **Financial year. Accounting.**

1. The financial year of the Company is a calendar year.
2. The Company will keep its accounting records in compliance with the International Financial Reporting Standards as adopted by the European Union (IFRS). In matters not regulated by the IFRS provisions of the Accounting Act of 29 September 1994 and the related implementing rules will be applied.

#### **§20**

##### **Supplementary capital. Other capitals.**

1. The Company sets up supplementary capital to which at least 8 % of profit for the specific financial year is allocated until the amount of such capital accounts for at least 1/3 of the Company's share capital.
2. The General Meeting can set up other capitals.

#### **§ 21**

##### **Other funds**

The Company can set up other funds, including among other things:

1. social welfare fund; and
2. other funds determined by the applicable provisions of law.

#### **§22**

##### **Dissolution of the Company**

1. The Company can be dissolved at any time by way of a resolution of the General Meeting and for other lawful reasons.

2. The Company will be dissolved following the liquidation procedure. The liquidation is carried out under the name of the Company with a note "in liquidation" added to the name. The liquidators are members of the Management Board unless otherwise stipulated by the respective resolution of the General Meeting.

3. If the balance sheet drawn up by the Management Board records a loss exceeding total supplementary and reserve capitals and one third of the Company's share capital, the Management Board shall be required to promptly convene the General Meeting in order to adopt a resolution concerning further existence of the Company.

## **§23**

### **Miscellaneous**

1. In matters not regulated by these Articles relevant provisions of the Code of Commercial Companies and Partnerships and other applicable legal acts will apply.

2. Subject to Art. 15 par. 6 above, the Company will publish its announcements in the official journal *Monitor Sądowy i Gospodarczy*.

3. All disputes resulting from these Articles will be settled by the court of venue for the registered office of the Company.