

Uniform text
ARTICLES OF ASSOCIATION OF
J.W. CONSTRUCTION HOLDING SPÓŁKA AKCYJNA

I. GENERAL

§ 1. -----

1. The Company operates under the name “J.W. Construction Holding” Spółka Akcyjna. ----

2. The Company operates on the basis of these Articles of Association and the applicable law regulations. -----

§ 2. -----

1. The registered office of the Company is the city Ząbki. -----

2. The Company can operate on the territory of the Republic of Poland and abroad. -----

3. The Company can establish own branches and offices in Poland and abroad, carry out own enterprises and participate in other companies in Poland and abroad, both with participation of Polish and foreign capital.

§ 3. -----

The Company was established for unspecified period of time. -----

II. SUBJECT OF BUSINESS ACTIVITY -----

§ 4. -----

The subject of the Company’s business activity, according to the Polish Classification of Business Activity is: -----

1) Management and sale of real properties on own account 70.11 Z; -----

2) purchase and sale of real properties on own account 70.12 Z; -----

3) lease of real properties on own account 70.20 Z; -----

4) activity of real property agency 70.31 Z; -----

5) management of residential real properties 70.32 A; -----

6) management of non-residential real properties 70.32 B; -----

7) activity within building, urban and engineering designing 74.20 A; -----

- 8) preparation of land for construction 45.1;
- 9) erection of complete building facilities or their parts, civil and water engineering 45.2; -----
- 10) performance of building installations 45.3; -----
- 11) performance of building finishing works 45.4; -----
- 12) hotels 55.1; -----
- 13) other tourist lodgings facilities and other short term lodging places 55.2; -----
- 14) restaurants and other catering establishments 55.3; -----
- 15) bars 55.40 Z; -----
- 16) activity of canteens and catering 55.5; -----
- 17) stone mining 14.1; -----
- 18) excavation of gravel, sand and clay 14.2;
- 19) wholesale sale implemented at an order 51.1; -----
- 20) wholesale sale of food, beverages and tobacco 51.3; -----
- 21) wholesale sale of household and personal use articles 51.4; -----
- 22) wholesale sale of semiproducts and waste of non-agricultural origins and scrap material
51.5; -----
- 23) wholesale sale of machines, equipment and additional equipment 51.6; -----
- 24) other wholesale sale 51.7; -----
- 25) other retail sale of new goods in specialized shops 52.4; -----
- 26) other retail sale outside the shops network 52.63 Z; -----
- 27) other road transport 60.2; -----
- 28) other activity supporting road transport 62.21 Z; -----
- 29) other financial mediation 65.2; -----
- 30) additional financial activity, not classified under other paragraphs 67.13 Z; -----
- 31) lease of motor cars 71.10 Z; -----

- 32) lease of other means of transport 71.2; -----
- 33) lease of machines and devices 71.3; -----
- 34) other commercial activity 74.84; -----
- 35) activity related with games of chance and lotteries 92.71 Z; -----
- 36) heat production and distribution 40.30; -----
- 37) water intake, treatment and distribution 41.00; -----
- 38) activity related with sport 92.6; -----
- 39) activity related with physical condition improvement 93.04 Z; -----
- 40) retail sale in unspecialised shops 52.1; -----
- 41) retail sale of food, beverages, tobacco products in specialized shops 51.5; -----
- 42) retail sale of pharmaceutical and medical products, cosmetics and toilet articles 52.5;
- 43) inland water transport 61.20 Z; -----
- 44) activity related with tourism 63.3; -----
- 45) lease of personal and household use articles 71.40 Z; -----
- 46) advertising 74.40 Z; -----
- 47) activity related with translations and secretarial services 74.83 Z; -----
- 48) films screening 92.13 Z; -----
- 49) other artistic and entertainment activity 92.3; -----
- 50) other recreational activity 92.7; -----
- 51) activity related with sport 92.6; -----
- 52) service activity related with management of green areas 01.41 B; -----
- 53) production of woodwork and carpentry products for building industry 20.30 Z; -----
- 54) production of other wooden products 20.51 Z; -----
- 55) production of plastic products for building industry 25.23. Z; -----
- 56) production of ceramic sanitary products 26.22 Z; -----

- 57) production of other ceramic products 26.25 Z; -----
- 58) production of fireproof ceramic materials and products 26.26 Z; -----
- 59) production of ceramic plates 26.30 Z; -----
- 60) production of building ceramic products 26.40 Z; -----
- 61) production of concrete and plaster products 26.6; -----
- 62) production of steel and natural stone products 26.70 Z; -----
- 63) production of metal products designed for bathrooms and kitchens 28.75 Z; -----
- 64) production of metal construction elements 28.1; -----
- 65) water intake, treatment and distribution 41.00; -----
- 66) lease of building and demolishing equipment with operator's service 45.50 Z; -----
- 67) storage and warehousing of goods 63.12; -----
- 68) other pecuniary mediation not classified under other paragraphs 65.12 B; -----
- 69) consulting within computer equipment 72.10 Z; -----
- 70) activity within programming 72.20 Z; -----
- 71) data processing 72.30 Z; -----
- 72) activity related with data bases 72.40 Z;
- 73) maintenance and repair of office, accounting and calculating machines 72.50 Z;
- 74) other activity related with information technology 72.60 Z;-----
- 75) research and development works within biological sciences and natural environment 73.10 D; -----
- 76) research and development works within technical sciences 73.10 G; -----
- 77) research and development works within other natural and engineering sciences 73.10 H; ----
- 78) market research and study of public opinion 74.13 Z; -----
- 79) consulting within conducting business activity and management 74.14; -----
- 80) activity within architecture, engineering 74.20; -----

- 81) sewage disposal 90.00 D; -----
- 82) other forms of education not classified under other paragraphs 80.42 Z; -----
- 83) technical studies and analyses 74.30 Z; -----
- 84) accounting and booking activity PKD 74.12 Z; -----
- 85) farming; horticulture, including vegetable growing 01.1; -----
- 86) animals breeding and husbandry 01.2; -----
- 87) agricultural farming connected with animal breeding and husbandry (mixed activity) 01.3; -
- 88) service activity related with agricultural farming, animal breeding and husbandry, with exclusion of veterinary services; green areas development 01.4; -----
- 89) hunting management, hunting animals breeding and gaining, including service activity 01.5.

 The activity which requires separate permission or concession will be undertaken by the Company upon prior obtaining of a relevant permission or concession.-----

III. THE SHARE CAPITAL AND SHARES -----

§ 5. -----

1. The share capital of the Company amounts to 10,939,656 (ten million nine hundred thirty nine thousand six hundred fifty six) Polish zloty and is divided into 51,250,000 (fifty one million two hundred fifty) ordinary bearer shares of series “A” numbered from 1 to 51,250,000, of the nominal value of 0.20 PLN (twenty groszy) each and 3,448,280 (three million four hundred forty eight thousand two hundred eighty) ordinary bearer shares of series “B” numbered from 1 to 3,448,280 of the nominal value of 0.20 PLN (twenty groszy) each. -----

2. All shares of the Company are ordinary shares, and no special privileges are associated with them. -----

3. At an application of a Shareholder, the Management Board of the Company will exchange Shareholder's registered shares into bearer shares, or vice versa, with exception of the bearer shares admitted to trade on a regulated market, which may not be exchanged into registered shares. -----

4. The Company can issue convertible bonds and bonds with the priority right. The Company can also issue subscription warranties. -----

5. A resolution was adopted on the conditional increase of the share capital of the Company by the maximum amount of 307,500 PLN (three hundred seven thousand five hundred Polish zloty) by issue of new bearer shares of series C of the nominal value of 0.20 PLN (say: twenty groszy) each, in the total number not higher than 1,537,500 (say: one million five hundred thirty seven thousand five hundred) shares. Shares of series C will be taken by the persons authorized under the subscription warranties issued on the basis of the resolution No. 2/2007 of the Extraordinary General Meeting of the Company of 20th April 2007. -----

§ 6. -----

1. The share capital of the Company can be increased by the power of a resolution of the General Meeting by issue of new shares or by increase of the nominal value of the present shares. -----

2. The General Meeting can make a decision on the increase of the share capital out of the funds of the company according to the principles provided for in Art. 442-443 of the Code of Commercial Companies. -----

§ 7. -----

1. The Management Board is authorized to increase the share capital of the Company by the amount not higher than 1,400,000 (one million four hundred thousand) Polish zloty by issue of new ordinary shares of the total nominal value not higher than 1,400,000 (one million four

hundred thousand) Polish zloty by one or a few increases of the share capital within the limits defined above (the authorized capital). -----

2. The authorization of the Management Board to increase the share capital and to issue new shares within the authorized capital expires after three years from the date of entry in the register of entrepreneurs of the amendment of the Articles of Association made by a resolution of the General Meeting No. 2 of 16th February 2007. -----

3. A condition for the increase of the share capital by the Management Board within the limits of the authorized capital is obtaining of a consent of the Supervisory Board. -----

4. With the consent of the Supervisory Board, the Management Board can deprive shareholders, in part or completely, of the their preemptive right to shares issues as a part of the authorized capital. -----

5. The Management Board makes decisions in all matters associated with the increase of the share capital as a part of the authorized capital, with reservation of contrary decisions of this paragraph and the provisions of the Code of Commercial Companies. -----

6. Resolutions of the Management Board concerning determination of the issue price of shares as a part of the authorized capital or issue of shares in place of non-pecuniary contributions require consent of the Supervisory Board. Besides, a consent of the Supervisory Board is required for the conclusion of contracts concerning investment sub-issue of service sub-issue or other contracts securing success of issue, as well as conclusion of contracts under which deposit receipts for shares would be issued outside the Republic of Poland. -----

7. Authorization to increase the share capital referred to in item 1, includes the possibility to issue subscription warrants with the maturity of the subscription right expiring at the end of the term indicated there. The authorization of the Management Board to exclude the preemptive right referred to in item 4 above, includes also the exclusion of the preemptive right to subscription warrants. -----

§ 8. -----

1. Shares can be redeemed voluntarily on the basis of a resolution of the General Meeting, with the consent of the shareholder to whom the redemption is to refer (voluntary redemption). Voluntary redemption cannot be exercised more frequently than once a financial year. -----

2. Resolution of the General Meeting on the redemption of shares defines the manner of redemption, conditions of redemption, and in particular, the legal basis of the redemption, the amount of the fee payable to the shareholder of redeemed shares or the grounds for the redemption of shares without a fee (with the consent of such shareholder and the manner of decrease of the share capital). -----

IV. THE AUTHORITIES OF THE COMPANY -----

§ 9. -----

The authorities of the Company are as follows: -----

- 1) General Meeting, -----
- 2) the Management Board, -----
- 3) the Supervisory Board. -----

V. GENERAL MEETING -----

§ 10. -----

1. General Meetings can be ordinary or extraordinary. -----

2. Ordinary Meeting can be held each year not later than in June. -----

3. General Meeting can be held at the registered office of the Company or in Warsaw. -----

4. Resolutions of the General Meeting are required for: -----

- 1) examination and approval of the report of the Management Board on the Company's activity or the financial statements for the previous financial year and acknowledgement to the members of the Company's authorities of the performance of their duties; -----

- 2) decisions concerning claims for repair of damage done at the incorporation of the Company or exercising management or supervision; -----
- 3) sale or lease of the enterprise or its organized part and establishment of a limited right to property on it; -----
- 4) issue of convertible bonds or bonds with the priority right; -----
- 5) any amendments of the Articles of Association, including increase and decrease of the share capital, -----
- 6) appointment and dismissal of the members of the Supervisory Board, determination of their remuneration, and establishment by a separate resolution of the principles of remuneration of the members of the Supervisory Board, if the General Meeting considers it necessary to determine separately the principles of remuneration of the members of the Supervisory Board; -----
- 7) adoption of resolutions on merger with other companies; -----
- 8) dissolution of the Company; -----
- 9) creation and liquidation of share premium account and legal reserves and target funds of the Company; -----
- 10) adoption of resolutions on redemption of shares; -----
- 11) adoption of resolutions on division of profit or coverage of losses; -----
- 12) other matters which, according these Articles of Association, or absolutely applicable law regulations belong to the competence of the General Meeting. -----

5. Purchase and sale of a real property or share in a real property does not require resolution of the General Meeting. -----

§ 11. -----

1. General Meeting is opened by the Chairman of the Supervisory Board or the Vice-President of the Supervisory Board who orders election of the chairman of the General

Meeting. In the case when none of them can or wants to open the General Meeting, the Meeting is opened by the President of the Management Board, and the latter cannot or does not want to open the General Meeting either, it is opened by any member of the Management Board. -----

2. General Meeting adopts all resolutions by an absolute majority of votes, unless these Articles or the absolutely applicable law regulations provide for stricter requirements relating adoption of a specific resolution. If at the General Meeting at least half of the share capital is represented, to make a resolution on the redemption of shares the ordinary majority of votes is sufficient. -----

3. If the law regulations do not provide for stricter requirements, the General Meeting is valid if at least half of the share capital is represented. -----

§ 12. -----

1. Shareholders can participate in the General Meeting and exercise the voting right in person or through their representatives. -----

2. Power of attorney to participate in the General Meeting and to exercise the voting right shall be granted in writing to be valid. -----

3. Member of the management board and an employee of the Company must not be attorneys at the General Meeting. -----

4. Shareholder may not in person, nor through an attorney, and not as an attorney of other person, vote on the resolutions concerning his/her any liability towards the Company, including acknowledgement of performance of his/her duties, release from the obligations towards the Company and a dispute between him/her and the Company. -----

5. Resolution on the removal from the agenda or resignation from examination of the matters placed in the agenda is taken only in the case when it is soundly justified. A motion for

removal from the agenda or resignation from examination of a matter placed in the agenda requires provision of detailed grounds. -----

6. Removal from the agenda or resignation from examination of a matter placed in the agenda of the meeting of the General Meeting at a motion of a shareholder or shareholders requires resolution of the General Meeting after prior consent granted by all applicants present at the General Meeting. Resolution on a removal from the agenda or resignation from examination of a matter placed in the agenda of the meeting of the General Meeting at a motion of a shareholder or shareholders requires majority of three fourth of votes. -----

§ 13. -----

1. Each share of the Company entitles to 1 (one) vote at the General Meeting. -----

2. Voting is open. Secret voting is ordered in the following cases: -----

- a) election of the members of the Company’s authorities and its liquidators, and in the case of voting on their dismissal or suspension; -----
- b) voting relating bringing to justice of the above mentioned persons; -----
- c) voting in personal matters; -----
- d) voting in other matters if the motion for making the voting secret is submitted by at least one Shareholder or his/her representative. -----

3. The General Meeting adopts the regulations of the General Meeting, and can adopt the regulations of election of the members of the Supervisory Board. -----

VI. THE MANAGEMENT BOARD -----

§ 14. -----

1. The Management Board of the Company consists of three to eight members, in this, the President of the Management Board, appointed for a common term of service. The number of the members of the Management Board is established by the Supervisory Board. It is possible to change the number of the members of the Management Board during the term. ---

2. Shareholder holding more than 50% of shares in the Company is entitled to a person right to appoint and dismiss half of the members of the Management Board, including the President of the Management Board. In the case of an odd number of members of the Management Board, shareholder referred to above has the personal right to appoint and dismiss respectively: two members of the Management Board (in the case of the Management Board consisting of three members), three members of the Management Board (in the case of the Management Board consisting of five members), and four members of the Management Board (in the case of the Management Board consisting of seven members). These rights are exercised by a written declaration delivered to the Company about the appointment or dismissal of a member of the Management Board, or entrusting the function or dismissal from the function of the President of the Management Board. In the case of appointment, the declaration referred to above should be enclosed with a declaration about the consent given by such person for the appointment to the Management Board. The remaining members of the Management Board are appointed and dismissed by the Supervisory Board. -----

3. Supervisory Board can, at the time of duration of the term, dismiss members of the Management Board appointed by the Supervisory Board. -----

4. Member of the Management Board can be dismissed or suspended in his/her activities also by the General Meeting. -----

5. The right to represent the Company is vested each time in two members of the Management Board acting jointly. -----

6. Employment contracts and other contracts with the members of the Management Board are concluded on behalf of the Company by the Chairman of the Supervisory Board, on the basis of a resolution of the Supervisory Board containing, in the case of the employment contract, at least the principles of remuneration and the essential conditions of engaging a specific

member of the Management Board. On the basis of the relevant resolutions of the Supervisory Board the Chairman or the Vice-Chairman of the Supervisory Board performs other activities related with the employment contract or other contracts concluded with the members of the Management Board. -----

7. The common term of the Management Board lasts three years. -----

8. The Supervisory Board adopts the regulations defining the organization of the Management Board and the manner of performing activities. -----

9. The candidatures for the position of the member of the Management Board appointed by the Supervisory Board can be submitted by the Chairman of the Supervisory Board and other members of the Supervisory Board. Supervisory Board can ask the President of the Management Board for presentation of the opinion concerning the candidature for the member of the Management Board other than the President of the Management Board. -----

10. The competencies of the President of the Management Board include current management and coordination of works of the Management Board, general supervision of timeliness of matters carried out by the Management Board, current allotment of tasks for implementation to other members of the Management Board, resolving any disputes relating competencies between other members of the Management Board. Apart from the matters resulting from the division of duties in the Management Board, the President of the Management Board has the right each time to control each matter found within the competencies of the Management Board. The President of the Management Board approves the plan of operation of the Management Board, calls and agrees the agenda of the meetings, taking into account in particular the motions of the members of the Management Board, chairs the meetings of the Management Board. The President of the Management Board appoints, from among the members of the Management Board, a person who is his/her

deputy during his absence, and establishes the principles and the manner of replacing the absent members of the Management Board. -----

11. Deleted.

12. The Management Board ensures proper service of operation of the Supervisory Board and the General Meeting, in particular, a proper secretarial and technical assistance. -----

§ 15. -----

1. The Management Board carries out matters of the Company and represents the Company.

2. The Management Board operates on the basis of the regulations adopted by the Supervisory Board. -----

3. Meetings of the Management Board are recorded in the minutes. -----

4. Resolutions of the Management Board are adopted during meetings and are adopted by ordinary majority of votes with the presence of at least half of the members of the Management Board with reservation of item 5 of this paragraph, unless these Articles and the absolutely applicable law regulations provide for stricter requirements relating adoption of a specific resolution. In the case of equal number of votes, the vote of the President of the Management is prevailing. -----

5. The Management Board can adopt resolutions also in writing, and in the form of a teleconference. Drafts of resolutions adopted in writing or in the form of teleconferences are submitted for signature to all members of the Management Board by the President of the Management Board. -----

6. In relation to the Company, members of the Management Board are subject to the limitations established in the law regulations, Articles of Association, regulations of the Management Board, and the resolutions of the Supervisory Board and the General Meeting. General Meeting and the Supervisory Board may not issue to the Management Board binding orders concerning carrying out the matters of the Company. -----

7. In the case of conflict of interest of the Company and the interests of a member of the Management Board, his/her spouse, cousins and kins up to second degree, and persons with whom he/she is related personally, member of the Management Board should inform the Management Board about this fact and withhold from participating in resolving such matters and can demand that this should be recorded in the minutes. -----

8. Without the consent of the Supervisory Board, member of the Management Board must not deal with business that is competitive and must not participate in a competitive company as a shareholder in a civil law company, private company, or as a member of the authorities of the capital company or participate in other competitive legal person as a member of its authorities. This prohibition also includes participation in a competitive capital company in the case when the member of the Management Board holds in it at least 10% of shares or stocks or the right to appoint at least one member of the management board. -----

VII. THE SUPERVISORY BOARD -----

§ 16. -----

1. Supervisory Board consists of 5 (five) to 9 (nine) members, including the Chairman of the Supervisory Board and one Vice-Chairman of the Supervisory Board, appointed for common term. Number of the members of the Supervisory Board is defined by a resolution of the General Meeting. It is possible to change the number of the members of the Supervisory Board during the term. -----

2. Shareholder holding more than 50% of shares in the Company is entitled to a personal right to appoint and dismiss half of the members of the Supervisory Board, including the Chairman of the Supervisory Board. In the case of an odd number of the members of the Supervisory Board, the shareholder referred to in the preceding sentence is entitled to the personal right to appoint and dismiss respectively three members of the Supervisory Board (in the case of the Supervisory Board consisting of five members), four members of the

Supervisory Board), four members of the Supervisory Board (in the case of the of the Supervisory Board consisting of seven members), five members of the Supervisory Board (in the case of the Supervisory Board consisting of nine members). These rights are exercised by a delivery to the Supervisory Board of a written declaration about appointment and dismissal of a specific member of the Supervisory Board, or entrusting or dismissal from the function of the Chairman of the Supervisory Board. In the case of the appointment, the declaration referred to above should be enclosed with a declaration about the consent given by such person for the appointment to the Supervisory Board. Other members of the Supervisory Board are appointed and dismissed by the General Meeting. -----

3. The General Meeting can appoint independent members of the Supervisory Board to the Supervisory Board, one of whom should perform the functions of the Vice-Chairman of the Supervisory Board. Independent members of the Supervisory Board can be persons free from relations with the Company, shareholders or employees, who can essentially affect the ability of the independent member to adopt unbiased decisions, that is, meeting the conditions referred to in item 4. After submission of the candidature of a member of the supervisory board, and than in the resolution appointing the independent member of the Supervisory Board or in a separate resolution adopted directly after the election, it should be recorded that a specific person was appointed as the independent member of the Supervisory Board.

4. Independent member of the supervisory board is a person who meets the following criteria jointly: -----

a) is not and has not been an employee of the Company or a person providing work or services for the benefit of the Company on other similar basis during three years preceding the election to the Supervisory Board, which also concerns entities included in the capital group to which the Company belongs; -----

- b) during three years preceding the election to the Supervisory Board has not performed any functions in the Management Board of the Company, which also concerns entities included in the capital group to which the Company belongs; -----
- c) is not a close person to a member of the Company’s authorities or an employee of the Company employed on a managerial position, which also concerns members of the authorities or employees employed on managerial positions in the entities included in the capital group, to which the Company belongs; -----
- d) during three years preceding the election to the Supervisory Board, has not received from the Company or an entity included in the capital group to which the Company belongs, a fee except for the fee for the performance of the functions of a member of the Supervisory Board, is not a close person to a person who within the last three years preceding the election to the Supervisory Board received from the Company or an entity included in the capital group to which the Company belongs, of a fee except for the fee for the performance of the functions of a member of the Supervisory Board; -----
- e) does not have shares representing over 10 (ten) per cent of the share capital of the Company; is not a close person to a shareholder who is a natural person and holds shares representing over 10 (ten) per cent of the share capital of the Company; -----
- f) does not represent a shareholder or shareholders holding shares representing at least 10 (ten) per cent of the share capital of the Company; is not a member of the authorities, employee or a person providing work or services on other similar legal basis for the benefit of a shareholder or shareholders holding shares representing at least 10 (ten) per cent of the share capital of the Company which also concerns entities included in the capital group to which the shareholder or shareholders belong; -----
- g) during three years preceding the election to the Supervisory Board he/she was not an employee of the present or previous chartered accountant of the Company; -----

h) during three years preceding the election to the Supervisory Board he/she was not a member of the managerial authority of the entity in which the member of the Management Board performed the functions of a member of the supervisory authority. -----

5. A close person, for the needs of the preceding item, is a spouse, ancestors and successors, adopted and adopting parents, siblings and relations in straight line to the second degree. ----

6. Together with a declaration containing the consent for being a candidate and for the election to the Supervisory Board, a candidate for an independent member of the Supervisory Board submits a written declaration that he/she meets the criteria indicated in item 4, including the obligation that he/she shall immediately inform the Company about every event which results in a failure to meet any criteria indicated in item 4 above by him/her. -----

7. Each member of the Supervisory Board can be dismissed during the term by the entity or the authority which appointed such member. -----

8. Members of the Supervisory Board are appointed for a common term lasting three years. When dismissing all members of the Supervisory Board, the General Meeting can decide on earlier shortening of the term of the Supervisory Board. -----

Member of the Management Board, a proxy, a liquidator, manager of the branch or establishment, or the chief accountant, legal advisor or attorney employed in the Company must not be simultaneously a member of the Supervisory Board. This provision applies also to other persons who are subordinated directly to a member of the Management Board or liquidator. -----

§ 17. -----

1. Supervisory Board exercises continuous supervision of the Company's activity in all fields of its activities. Supervisory Board holds a meeting as need may be, however, at least once a quarter. -----

2. Detailed principles of operation of the Supervisory Board will be defined in the Regulations of the Supervisory Board adopted by the General Meeting. The Regulations of the Supervisory Board or a separate resolution of the General Meeting can provide for establishment, as a part of the Supervisory Board , of committees, in particular the audit committee and the remuneration committee. -----

3. Meetings of the Supervisory Board are summoned by the Chairman, and in the case of his/her absence, the Vice-Chairman of the Supervisory Board. In the case when at any time the position both of the Chairman and of the Vice-Chairman are vacant, the meeting aimed to appoint persons to perform the functions of the Chairman or Vice-Chairman can be called by other member of the Supervisory Board. -----

4. The meeting of the Supervisory Board is called with the use of a telefax with confirmation of its sending, or with the use of registered letters. The invitation to a meeting of the Supervisory Board should be addressed to the last address indicated to the Company by a member of the Supervisory Board. The invitation to a meeting of the Supervisory Board should contain the place, date and time, and the agenda of the meeting. The invitation to a meeting of the Supervisory Board should be addressed to a member of the Supervisory Board at least one week before the date of the meeting, and in emergency cases, 3 days before the date of the meeting. -----

5. For the validity of the resolutions of the Supervisory Board adopted during the meeting it is required that all members of the Supervisory Board are invited to its meeting in accordance with item 4 of this paragraph. -----

6. Resolutions of the Supervisory Board are adopted by absolute majority of votes with a reservation that in the case of even number of votes the vote of the Chairman of the Supervisory Board is prevailing. However, resolutions concerning: -----

a) giving consent for an allowance by the Company for the benefit of a member of the Management Board in relation to any title; -----

b) giving consent for the conclusion by the Company of an essential contract the value of which exceeds the amount of 10,000,000.00 (ten million) Polish zloty, and in the case of contracts concerning performance of building works, the amount of 15,000,000.00 (fifteen million) Polish zloty, with an entity included in the capital group to which the Company belongs, a member of the Supervisory Board or the Management Board, or their close persons (in the meaning of § 16 item 5). -----

c) election of the chartered accountant to carry out audit of the financial statements of the Company; -----

to be valid, require votes for such resolution casted by at least one independent member of the Supervisory Board, provided any of the independent members attends the specific meeting of the Supervisory Board, where in the case of matters mentioned in letters a) and b) above, such resolution can authorize the Chairman of the Supervisory Board to give consent on the conditions and according to the principles defined in such a resolution.

7. Resolutions of the Supervisory Board can be also adopted in written form, and in the form of a teleconference, with the exclusion of the resolutions referred to in Art. 388 § 4 of the Code of Commercial Companies. Drafts of resolutions adopted in writing or in the form of a teleconference are submitted to the members of the Supervisory Board by its Chairman, and in the case of the latter's absence, by the Vice-Chairman of the Supervisory Board. The procedure of adopting resolutions in writing or in the form of a teleconference will be defined by the Regulations of the Supervisory Board. -----

8. Members of the Supervisory Board can participate in the adoption of resolutions of the Supervisory Board, by giving their votes in writing through the mediation of other member of the Supervisory Board. -----

9. In the case of election of the Supervisory Board by groups, the Chairman and the Vice-Chairman of the Supervisory Board are elected by the very Supervisory Board out of its members. -----

10. Lack of independent members in the composition of the Supervisory Board, decrease of the number of members of the Supervisory Board below the number of members of the Supervisory Board indicated in the currently applicable resolution relating this matter (however, provided at a specific time the Supervisory Board has at least five members) does not result in inability of the Supervisory Board to adopt resolutions. The Management Board should, in such a situation, act in order to make the composition of the Supervisory Board consistent with the Articles of Association, resolutions of the General Meeting applicable at such time. In the case when the Chairman or the Vice-Chairman of the Supervisory Board leave the Supervisory Board (or these persons resign from their functions), the Supervisory Board, for the time till the election of the Chairman or the Vice-Chairman by the authorized entities, elects out of themselves in secret voting, depending on the circumstances, persons performing the duties of the Chairman of the Supervisory Board or the Vice-Chairman of the Supervisory Board, who hold all the competences of the Chairman or the Vice-Chairman. ---

§ 18 -----

1. Meeting of the Supervisory Board is conducted by the Chairman of the Supervisory Board, and in the case of his/her absence – the Vice-Chairman of the Supervisory Board or other member of the Supervisory Board appointed by the Chairman of the Supervisory Board. ----

2. Meetings of the Supervisory Board are recorded in the minutes. -----

§ 19. -----

Members of the Supervisory Board, for their activity in the Supervisory Board, will receive a fee in the amount agreed by the General Meeting. -----

§ 20. -----

1. The competencies of the Supervisory Board, apart from the statutory tasks and the tasks named in other provisions of these Articles, include: -----

a) appointment and dismissal of the members of the Management Board, referred to in § 14 item 1 of the Articles; -----

b) adoption of the regulations of operation of the Management Board; -----

c) issue of opinions on all matters presented for debates to the General Meeting; -----

d) election of the chartered accountant to audit the financial statements of the Company; -----

e) suspension in their activities, for important reasons, the specific and all members of the Management Board and delegating members of the Supervisory Board, for the period not longer than three months, to temporary performance of the activities to members of the Management Board who have been dismissed, submitted resignation or for other reasons cannot perform their activities. -----

2. In the case when a member of the Management Board is not able to perform his/her activities, the Supervisory Board should immediately undertake relevant activities in order to change the composition of the Management Board. -----

VIII. THE ACCOUNTING OF THE COMPANY -----

§ 21. -----

The financial year of the Company is the calendar year. -----

§ 22. -----

The report of the Management on the Company’s activities and the financial statements for the previous financial year should be drawn by the Management Board in accordance with the relevant regulations on accounting during the first three calendar months of the following year and submitted to the Supervisory Board to be checked and opinioned. -----

§ 23. -----

1. The Company creates share premium account and legal reserve to cover balance sheet losses. To the share premium account and legal reserve, 8% (eight per cent) of net annual profit is transferred, until the share premium account and legal reserve reaches at least 1/3 (one third) of the share capital. -----
2. Besides, to the share premium account and legal reserve the surpluses reached at the issue of shares above their nominal value, remaining after coverage of the costs of issue of shares, will be transferred. -----
3. To the share premium account and legal reserve also extra payments made by the Shareholders instead of granting specific rights to their existing shares without increase of the share capital are transferred, unless such extra payments are not used to compensate extraordinary deductions or losses. -----
4. The decision about the use of the share premium account and legal reserve is made by the General Meeting, however, a part of the share premium account and legal reserve amounting to 1/3 (one third) of the share capital can be used only to cover the balance sheet losses. -----
5. Independently from the share premium account and legal reserve, in the Company reserve capitals can be created and other target funds to cover specific losses and expenditures. The decision on their creation and destination is made by the General Meeting. -----

IX. DIVISION OF PROFIT AND COVERAGE OF LOSSES -----

§ 24. -----

1. Net profit is divided in accordance with a resolution of the General Meeting and can be destined for: -----
 - a) deductions for share premium account and legal reserve, -----
 - b) payment of a dividend to Shareholders, -----
 - c) reserve capital or other target funds, -----
 - d) other goals defined by the General Meeting. -----

- 2. The Management Board presents to the General Meeting a proposal for division of profit after obtaining prior opinion about this proposal by the Supervisory Board. -----
- 3. The decision about the coverage of losses is made by the Ordinary Meeting of Shareholders in a resolution. -----
- 4. Balance sheet losses can be covered in particular with the share premium account and legal reserve or reserve capital, or other funds. -----
- 5. The Management Board of the Company can, with the consent of the Supervisory Board and according to the principles defined in the law regulations, pay advance for dividends to the shareholders. -----
- 6. The date of the dividend and the dates of payment of dividends are defined by the General Meeting. -----

X. FINAL PROVISIONS -----

§ 25. -----

- The Company can be dissolved by: -----
- Resolution of the General Meeting on the dissolution of the Company or the transfer of the Company's registered office abroad, -----
- Declaration of the Company's bankruptcy, -----
- Other causes provided for by the law. -----

§ 26. -----

- 1. The Company is liquidated after the liquidation is carried out. -----
- 2. Liquidators of the Company are members of the Management Board, unless the General Meeting decides otherwise. -----

§ 27. -----

The announcement concerning or originating from the Company, required by law, is published in the official journal ‘Monitor Sądowy i Gospodarczy’, unless the law provides to the contrary. -----

§ 28. -----

In case of any matters not regulated by these Articles, the provisions of the Code of Commercial Companies, as well as other relevant provisions of the Polish law shall apply. --

§ 29. -----

On the date of adoption of a resolution on the amendment of the Articles of Association introducing rights granted personally, the shareholders holding more than 50% of shares in the Company is Józef Kazimierz Wojciechowski. In the case of an event, as a result of which Józef Kazimierz Wojciechowski will not hold more than 50% of shares in the Company, the rights granted personally expire, and the relevant provisions of the Code of Commercial Companies apply, with the reservation that this does not apply in the case when Józef Kazimierz Wojciechowski holds at least one share in the Company, and together with the dependent entities in the meaning of the Law of Public Tender or the entities over which he holds control in the meaning of the regulations of 29th September 1994 on accounting (i.e. Journal of Laws of 2002, No. 76, item 694, as later amended) in the wording of such laws as applicable on the date of entry into the register of entrepreneurs of the amendment of the Articles of Association made by a resolution of the General Meeting No. 2 of 16th February 2007, he will hold in total, directly and indirectly, more than 50% of shares in the Company . In the case of expiration or resignation from personal rights, the provisions of the Articles of Association concerning such personal rights, which have expired or have been resigned, will be replaced with the relevant provisions of the Code of Commercial Companies. Failure to exercise or to continue exercising personal rights does not result in their expiration. -----

§ 30. -----

In relation to the amendment of the Articles of Association made by the General Meeting on 16th February 2007 the following transitory provisions are hereby introduced:

1) when electing the members of the Supervisory Board, the General Meeting can indicate, also before the date of registration of amendments of the Articles of Association as mentioned above, which members of the Board will be considered appointed by the General Meeting in the meaning and for the needs of § 16 item 2 last sentence of the Articles of Association in the wording determined on 16th February 2007. Within one month from the date of registration of amendments made in the Articles, referred to above, a shareholder holding more than 50% of shares of the Company is entitled to indicate the members of the Supervisory Board whom he/she considers to be appointed by himself/herself in the meaning and for the needs of § 16 item 2 of the Articles, in the wording determined on 16th February 2007. In the case when a shareholder, holding more than 50% shares in the Company does not exercise the right defined in the preceding sentence, or is not able to define unambiguously which of the members of the Supervisory Board are considered to be appointed by the General Meeting or the authorized shareholder according to the principles defined in § 16 item 2 of the Articles. The Management Board will immediately call the General Meeting, the agenda of which will contain an item concerning changes in the composition of the Supervisory Board.-----

2) The Supervisory Board can indicate, also before the date of registration of amendments of the Articles of Association mentioned above, which members of the Management Board are considered to be appointed by the Supervisory Board in the meaning and for the needs of § 14 item 1 last sentence of the Articles of Association, in the wording determined on 16th February 2007. Within one month from the date of registration of amendments of the Articles of Association, referred to above, a shareholder holding more than 50% of shares in the Company has the right to indicate members of the Management Board whom he/she

considers to be appointed by himself/herself in the meaning and for the needs of § 14 item 1 of the Articles of Association. In the case when the shareholder holding more than 50% of shares in the Company does not exercise the right defined in the preceding sentence, or is not able to define unambiguously which members of the Management Board are considered to be appointed by the Supervisory Board or by the authorized shareholder according to the principles defined in § 14 item 2 of the Articles of Association, the Chairman of the Supervisory Board will immediately call a meeting of the Supervisory Board in order to make relevant changes in the composition of the Management Board.