

**STATUTE (ARTICLES OF ASSOCIATION)  
BORYSZEW SA**

*[this is only a translation of the original Polish version]*

**I. GENERAL PROVISIONS**

§ 1

1. The Company operates under the name: Boryszew Spółka Akcyjna.
2. The Company may also use the abbreviation of its name Boryszew S.A. and registered trademark.

§ 2

The seat of the Company shall be in the city of Sochaczew.

§ 3

The Company has been established for an indefinite period of time.

**II. OBJECT OF THE COMPANY'S ACTIVITIES**

§ 4

1. The object of the Company's activities is the performance of production, services and trade, including the co-operation with domestic and foreign entities – under Polish Classification of Activities (PKD):

10.62.Z	Production of starch and starch products
10.91.Z	Production of fodder for animals and fishes
10.92.Z	Production of fodder for home animals
13.10.C	Production of yarn of synthetic fibre
13.20.C	Production of fabric of synthetic fibre
16.23.Z	Production of other woodwork and carpenter products for construction
18.12.Z	Other printing
18.14.Z	Bookbinding and similar services
19.20.Z	Production and conversion of products from crude oil refining
20.11.Z	Production of technical gases
20.12.Z	Production of pigments and dyes
20.13.Z	Production of other basis inorganic chemicals
20.14.Z	Production of other basis organic chemicals
20.16.Z	Production of plastics in basic forms
20.30.Z	Production of paints, varnishes and similar layers, printing paints and sealing compounds
20.41.Z	Production of soaps, detergents, cleaning means
20.51.Z	Production of explosives
20.52.Z	Production of glues
20.59.Z	Production of all other types of chemicals, otherwise not classified
20.60.Z	Production of chemical fibres
22.11.Z	Production of rubber tyres and air-chambers: recapping and regeneration of rubber tyres
22.19.Z	Production of other rubber goods
22.21.Z	Production of sheets, pipes and moulders of synthetic materials
22.22.Z	Production of packages of synthetic materials
22.23.Z	Manufacture of products of synthetic materials for construction industry
22.29.Z	Manufacture of products of other synthetic materials
23.61.A	Manufacture of concrete products for construction industry
23.69.Z	Manufacture of other concrete and gypseous and cement products
24.20.Z	Production of steel tubes, conductors, finished sections and connectors
24.42.B	Production of aluminium and its alloy semi-products
24.53.Z	Foundry of light metals
25.11.Z	Production of metal constructions and their parts

25.12.Z Production of metal elements of construction woodwork  
 25.40.Z Manufacture of weapons and ammunition  
 25.50.Z Forge press, extruding and rolling of metals; powders metallurgy  
 25.61.Z Tooling of metals and leyers coverage of metals  
 25.62.Z Mechanical tooling of metal elements  
 25.91.Z Production of metal boxes  
 25.92.Z Production of metal packages  
 25.93.Z Production of goods of wire, chains and springs  
 25.94.Z Production of joints and screws  
 25.99.Z Manufacture of other metal products, otherwise not classified  
 27.31.Z Production of light cables  
 27.32.Z Production of other electronic and electric conductors and cables  
 27.33.Z Production of installations equipment  
 27.90.Z Production of other electrical equipment  
 28.15.Z Manufacture of bearings, gears, gearing and driving elements  
 28.22.Z Production of lift machines and graspers  
 28.29.Z Production of other machines for general purposes, otherwise not classified  
 28.30.Z Production of machines for agriculture and forestry  
 28.41.Z Production of machines for metalworking  
 29.31.Z Production of electrical and electronics outfit for engine vehicle  
 29.32.Z Production of other parts and accessories for engine vehicles, excluding motor-cycles  
 32.99.Z Production of other goods, otherwise not classified  
 33.12.Z Repair and maintenance of machines  
 33.14.Z Repair and maintenance of electrical devices  
 33.20.Z Installation of industry machines, equipment and tools  
 35.11.Z Manufacture of electric power  
 35.12.Z Electric power transmission  
 35.13.Z Electric power distribution  
 35.14.Z Electric power trade  
 35.22.Z Distribution of gaseous fuels through a supply network  
 35.30.Z Generation and supply in steam and hot water and air to air-condition  
 36.00.Z Consumption, treatment and supply of water  
 37.00.Z Sewage disposal and treatment  
 38.11.Z Collecting of waste other that dangerous  
 38.32.Z Treatment and disposal of waste other than dangerous  
 38.32.Z Recycling of raw materials from segregated materials  
 41.10.Z Realization of building projects related to erection of buildings  
 41.20.Z Building works related to erection of residential and non-residential buildings  
 43.11.Z Demolition  
 43.12.Z Site preparation  
 43.13.Z Test drilling and boring  
 43.21.Z Manufacture of electrical installations  
 43.22.Z Plumbing, heat and air-conditioning installation  
 43.29.Z Other construction installation  
 43.31.Z Plastering,  
 43.32.Z Installation of construction woodwork  
 43.33.Z Floor and wall covering  
 43.34.Z Painting and glazing  
 43.39.Z Other building completion and finishing  
 43.91.Z Roofing activities  
 43.99.Z Other specialist construction works, otherwise not classified  
 45.19.Z Wholesale and retail sale of other motor vehicles excluding motor-cycles  
 45.20.Z Repair and maintenance of motor vehicles excluding motor-cycles  
 45.31.Z Wholesale of parts and accessories for motor vehicles excluding motor-cycles  
 45.32.Z Retail sale of parts and accessories for cars, excluding motor-cycles  
 46.12.Z Operations of agents dealing with sale of fuels, ores, metals and industrial chemicals  
 46.14.Z Activity of agents operating in sale of machines, industrial appliances, ships and planes  
 46.15.Z Activity of agents operating in sale of furnitures, household appliances and small metals products  
 46.19.Z Operations of agents dealing in sale of various types of goods

46.41.Z	Wholesale of fibre products
46.62.Z	Wholesale of machine tools
46.69.Z	Wholesale of other machines and devices
46.72.Z	Wholesale of metals and their ores
46.73.Z	Wholesale of wood, construction materials and sanitary equipment
46.74.Z	Wholesale of metal goods, equipment and additional hydraulic and heating equipment
46.75.Z	Wholesale of chemical products
46.76.Z	Wholesale of other semi-finished products
46.77.Z	Wholesale of waste and scrap
46.90.Z	Non-specialized wholesale
47.19.Z	Other retail carried in non-specialized shops
47.52.Z	Retail of small metal products, paints and glass carried in specialized shops
47.78.Z	Retail of other new products carried in specialized shops
47.99.Z	Other retail carried outside the shop network
49.20.Z	Rail transportation of goods,
49.41.Z	Road transport of goods
52.10.B	Warehousing of other goods
52.21.Z	Service activity supporting land transportation
52.24.C	Reloading of goods in other reloading stations,
52.29.C	Activity of other transportation agencies,
55.10.Z	Hotels and similar objects
58.14.Z	Issuing of papers and other magazines
61.10.Z	Activity in telecommunications
62.01.Z	Activity connected with soft-ware
62.02.Z	Activity connected with data processing consultancy
62.03.Z	Activity connected with management of data processing devices
62.09.Z	Other service activity in data processing and computers technologies
63.11.Z	Data processing; management of websites (hosting) and similar activity
63.12.Z	Activity of internet platform
64.19.Z	Other cash intermediary
64.20.Z	Activity of financial holdings
64.91.Z	Financial lease
64.92.Z	Other forms of granting credit facilities
64.99.Z	Other financial agency services, otherwise unclassified excluding insurance and pension funds
68.10.Z	Purchase and sale of real estates on own account
68.20.Z	Lease and management of own or leased real estates
69.20.Z	Activities in book-keeping , accounting ; tax advisory
70.10Z	Activity of head offices and holdings, excluding financial holdings
70.21.Z	Public relations and communication
70.22.Z	Other advisory in economic activity and management
71.20.B	Other searches and technical analyses
72.11.Z	Science and development researches in the field of biotechnology
72.19.Z	Scientific searches and development works in other natural and technical sciences
73.20.Z	Market research and opinion polls
74.90.Z	Other professional activity, scientific and technical, otherwise non-classified
77.11.Z	Rental and lease of personal cars and buses
77.12.Z	Rental and lease of other cars excluding motor-cycles
77.33.Z	Rent and tease of machines and office equipment, including computers,
77.39.Z	Rental and lease other machines, devices and materials property, otherwise non-classified
77.40.Z	Tease of intellectual property and similar products excluding works protected by the copyright law,
78.10.Z	Activity connected with searching for jobs and employees acquisition,
78.30.Z	Other activity connected with hiring of staff
80.10.Z	Safeguard activity excluding service of safe systems
80.20.Z	Safeguard activity in service of safe systems
81.21.Z	Non-specialized cleaning of buildings and industrial objects
81.22.Z	Specialized cleaning of buildings and industrial objects
82.11.Z	Service activity connected with administration of office,

- 82.19.Z Making copies, preparing documents and remaining specialists activity supporting currying office,
- 82.30.Z Activity in organization of fairs, exhibitions and congresses
- 82.92.Z Activity connected with packaging.
- 84.25.Z Fire protection activity
- 85.59.B Other off-school educations forms, elsewhere not classified
- 86.90.E Other activity in health care, otherwise not classified
- 93.29.Z Other entertainment and recreation business
- 96.09.Z Other service activity, otherwise not classified

2. Pursuant to relevant provisions of the law, the Company may change its object of activity without a share redemption.

#### § 5

The activity of the Company shall be conducted in Poland and abroad. Within its area of activity the Company may establish branch offices and representative offices as well as hold interests in and establish companies and participate in other organizations. Branch offices and representative offices may use Company's and their own trademark.

### III. INITIAL CAPITAL

#### § 6

1. The Company's share capital accounts for PLN 220,000,000.00 and is divided into 2,200,000,000 series A bearer shares of a nominal value of PLN 0.10.
2. The conversion from non-bearer preferred shares to regular bearer shares may be executed after shareholder's request, once a year, on first weekday of March.
3. Once the non-bearer shares are converted to bearer shares, they can not be converted back to non-bearer shares.
4. The non-bearer shares are privileged:
  - 1 ) at votes– 2 votes a share,
  - 2 ) in dividend – the dividend per a non - bearer share is raised comparing to a bearer share for the maximal indicator pursuant to the Commercial Companies Code,
  - 3 ) in the priority at the distribution of the Company's assets in case of liquidation.
5. The conversion of non-bearer shares causes the loss of all privileges.
6. Removal or limitation of preferences connected with different kinds of shares and the personal entitlements granted individually to the marked shareholder follows on indemnity. It concerns particularly the change of inscribed privileged shares to ordinary bearer shares.

#### § 6a

1. The Management Board is authorized to increase the initial capital of the Company by issue of up to 443,284,308 pieces of new shares of the total nominal not higher than PLN 44,328,430.80 (forty four million three hundred twenty eight thousand four hundred three hundred and 80/100), which is the increase under the authorization capital determined in particular in the rules of art. 444 - 447 of the Commercial companies code.
2. In the limit of authorization capital the Management Board is authorized, till December 31<sup>st</sup>, 2013, to increase the initial capital. The Management Board may execute the granted authorization by making one or several increases of the initial capital in the limit determined in § 6a passage 1 of the Statute.
3. The Management Bard having the agreement of the Supervisory Board May give under the authorization capital shares for the contributions in kind. Agreement of the Supervisory Board is also required to fix by the Management Board the issue price.
4. The Management Board is authorized to deprive shareholders of the collection right in total or in part having the agreement of the Supervisory Board in respect to each increase of the initial capital in the limit of the authorization capital determined in § 6a passage 1 of the Statute.

## § 7

1. The Company's shares are disposable. The transfer of the property of non-bearer preferred shares, to the privileges, needs a written approval of the Supervisory Board in respect to restrictions of the Law on the Public Trading of Securities. In case of disapproval for shares disposal, the Supervisory Board shall indicate another buyer in respect to the above-mentioned restrictions. In this case, the price of shares is set basing on its book value from the latest balance sheet of market value. The payment shall be done at Company's seat within 14 days since the date of buyer indication.
2. The restrictions do not refer to the purchase if shares are inherited.
3. The founders and after them the employees hold the priority for the purchase of non-bearer shares.

## § 8

1. The Company's shares of next issues will be non-bearer or bearer shares.
2. The Company may issue corporate bonds, including convertible ones.

## § 9

1. The shares may be cancelled (redeemed) through a free cancellation.
2. [deleted].
3. The own shares bought gratuitously or by a universal succession, can be cancelled freely without remuneration.
4. The detailed rules of share cancellation are described in a resolution of General Shareholder Meeting.
5. The resolution pertaining to the cancellation shall be announced.
6. The cancellation requires a decrease in share capital. The resolution concerning the decrease in share capital shall be passed by the General Shareholder Meeting jointly with the resolution concerning the cancellation.

## **IV. AUTHORITY ORGANS OF THE COMPANY**

### § 10

The authority organs of the Company shall be: the General Meeting of Shareholders; the Supervisory Board; the Management Board.

### § 11

1. The Management Board shall consist of a minimum of 1 and a maximum of 5 members including the President of the Management Board, up to two Vice-Presidents and Members.
2. The term of office of the Management Board shall be 3 years and is common for all the Management Board's Members.
3. The President and other members of the Management Board shall be appointed by the Supervisory Board.
4. The Management Board under the chairmanship of the Chairman runs the Company and represents the Company. Boards resolutions are passed by the completed majority, under such provision that in case of equality of votes, the chairman's vote decides.
5. The Management Board shall be responsible for all matters relating to the Company's affairs which, under this Statute, do not fall within the jurisdiction of the General Meeting of Shareholders or the Supervisory Board.
6. Chairman of the Management Board or two Management Boards members acting jointly or one Management Board Member and a proxy may make declarations of will and sign on behalf of the Company.
7. The detailed procedures of operation of the Management Board are described in the Rules of the Management Board.

§ 12

1. 1. The Supervisory Board shall consist of at least 5 members. The Members of the Supervisory Board shall be appointed and removed by the General Shareholder Meeting. For the post of a Member of the Supervisory Board, whose mandate has expired during the cadence, the Supervisory Board is obliged to appoint a new person. The appointment of Supervisory Board members during the cadence requires the approval of the next General Meeting. In case of refusal of the approval of any of Supervisory Board members, appointed during the cadence, the General Meeting shall choose a new member who will replace the person whose appointment has not been approved.

1A. At least half of members, and in case if one shareholder holds a stake of above 50% of total votes – two members, are the independent members, i.e. not related to the Company, shareholders and employees, if the relations could impact the independence of the members in terms of making decisions. Persons who have business and family connections with Member of the Management Board, proxy or shareholder holding at least directly and indirectly 5% of votes separately or by an agreement, shall not be treated as independent.

A candidate for the post of the independent Member of the Supervisory Board shall submit at the Company a written statement that the above mentioned criteria are fulfilled.

2. The term of office of the Supervisory Board shall be 3 years and is common for all the Supervisory Board's Members.
3. The members of the Supervisory Board shall elect from among their number the Chairman, Vice-Chairman and Secretary.
4. The Chairman of the Supervisory Board or if absent the Chairman of the Supervisory Board shall convene the meetings of the Supervisory Board. The meeting of the Supervisory Board shall also be convened against a written proposal of the Management Board or a Member of the Supervisory Board including suggested agenda; in this case the meeting shall be held not later than two weeks since the proposal is received.
5. The Chairman of the Supervisory Board or if absent, the Chairman of the Supervisory Board shall chair the meeting.
6. The Supervisory Board shall pass its resolutions by simple majority of votes cast provided at least one-half of the total number of members are present at the meeting and provided that all members of the Supervisory Board have been invited to the meeting. In the case event of tied vote a tied vote, the Chairman shall have a casting vote.
7. The Supervisory Board can take up resolutions in written form or by using means of direct remote communication if all members have accepted this form. Such resolution is valid when all members of the Supervisory Board have been informed about the content of draft resolution. Members of the Supervisory Board can participate in the taking up of resolutions of the Supervisory Board by casting a vote in writing via another member of the Supervisory Board if all members have accepted this form. Such resolution is valid when all members of the Supervisory Board have been informed about the content of draft resolution. Casting a vote in writing can not pertain to issues added to the agenda during the meeting of the Supervisory Board.
8. Passing resolutions in the form defined in the clause number 7 do not refer to the election of the Chairman of the Supervisory Board, Vice-Chairman of the Supervisory Board and the appointment of a member of the Management Board as well as the removal or suspension of these persons.
9. The Supervisory Board may adopt and amend its by-laws which describe in detail the procedures of operation of the Supervisory Board.
10. The Supervisory Board is responsible for permanent supervision over all Company's activities.
11. The powers of the Supervisory Board include:
  - 1) evaluation of the Management's report on Company's and Group's; evaluation of the Company's and Group's financial statement as well as the Management's proposals concerning the distribution of profits or coverage of losses,
  - 2) submitting a written report on the results of the evaluations referred to in points 1 and 2 above to the General Meeting of Shareholders,
  - 3) determining of the number of Management's members in the range defined in § 11 clause 1,
  - 4) appointing, dismissing of Management's members; firstly the Supervisory Board appoint the President of the Management Board and for his proposal the remaining members of the Supervisory Board,

- 5) suspending for important reasons a member of the Management Board as well as designating a member or members of the Supervisory Board to temporarily perform the duties of Management Board members in the case the Management Board members are suspended or otherwise unable to perform their duties,
  - 6) determining the principles of remuneration of the Management Board and fixing the remuneration for members of the Management Board,
  - 7) giving an opinion on annual and long-term business plans of the Company and its annual budget,
  - 8) [deleted],
  - 9) approval of Management's proposals in the field of:
    - a) foundation and shutting down of branches and other separated entities of the Company,
    - b) purchase and disposal of real estate, perpetual lease or share in a real estate,
    - c) making transactions concerning the disposal, taking or purchase of shares of above PLN 10 (ten) million
    - d) acquisition of rights or incurring liabilities, which value exceed 5 (five) million PLN, if, as a result of these activities the Company is to buy fixed assets (in tax rules interpretation
  - 10) giving an opinion on proposals and matters requiring a resolution of the General Shareholder Meeting,
  - 11) determining the text of Company's statute,
  - 12) determining the issue price of new shares,
  - 13) giving an opinion on Management's proposal in terms of the agreement with sub-issuer,
12. The remuneration of members of the Supervisory Board is determined by the General Meeting of Shareholders.

### § 13

1. The General Meeting under ordinary or extraordinary session is called by the Management Board. The Ordinary General Meeting takes place in June at the latest. The Extraordinary General Meeting takes place at the suggestion of the Management Board of the Company, on the written motion of the Supervisory Board or shareholder or shareholders representing at least 1/20 of the share capital.
2. Agenda of the General Meeting is set by the Management Board. Shareholder or shareholders representing at least 1/20 of the share capital may require placement of matter in the agenda at the nearest General Meeting. Such requirement must be placed to the Management Board not later than 21 days before the date of the General Meeting.
3. The Supervisory Board calls the General Meeting if:
  - the Management Board does not call the General Meeting in due time,
  - although placing by the Supervisory Board of the motion, the Management Board does not call the general Meeting in two weeks from the date of placing the requirement.
4. The General Meeting is called through notification on the web site of the Company and in the way described for passing current information according to the rules of law. Such notification is placed at least 26 days before its date.
5. The General Meeting of Shareholders is valid regardless of the number of shares being represented. The resolutions of the General Meeting of Shareholders are taken by a simple majority of votes cast, unless the Commercial Companies Code or these Articles provide otherwise.
6. Shareholders take part in the General Shareholder Meeting personally or by a proxy. The power of attorney to participate in the General Meeting of the public company and to execute the right of vote requires the writing or electronically form.
7. The voting at the General Meeting of Shareholders shall be open. A secret ballot shall be used at elections and upon motions for removal of members of the Company's organs or of liquidators, for calling them to account for their actions and in personal matters. A secret ballot shall also be used whenever requested by at least one of the shareholders or its representative present at the General Meeting.
8. The resolutions of the General Shareholder Meeting should be included in the protocol prepared by a notary. The following cases especially require a resolution of the General Shareholder Meeting:
  - 1) review and approval of the financial statement and Management's report on the Company's activity in the previous financial year,
  - 2) distribution of profits or coverage of losses,

- 3) confirming proper execution of duties of the members of the Boards of the Company,
  - 4) change of the object of Company's activity and amendment of the Statute, including an increase or reduction of initial capital,
  - 5) any decision on claims for compensation of damages suffered by the Company in the course of its establishment or during the execution of managerial or supervisory functions,
  - 6) appointment and removal of members of the Supervisory Board,
  - 7) determining the principles of remuneration and fixing the remuneration for members of the Supervisory Board,
  - 8) cancellation of shares and determining of rules of the cancellation,
  - 9) issuance of convertible bonds or first option bonds,
  - 10) transfer or lease of the Company's business or its organized part or the grant of usufruct thereon,
  - 11) cancelled
  - 12) dissolution and liquidation of the Company,
  - 13) determining of the dividend day and the date of dividend pay-out.
9. cancelled

## V. ACCOUNTING POLICY

### § 14

1. The Company's equity is comprised of:
  - a) share capital,
  - b) capital reserve,
  - c) other capital reserves,
  - d) revaluation reserve.
2. The share capital features stability. Its changes may take place in the range defined in the Commercial Companies Code only.
3. The capital reserve is created:
  - 1) from the surplus between the price of issued shares and the nominal value of these shares after the deduction of issue costs,
  - 2) from the distribution of profits - in the amount of at least 8% of the reported net profit – until the capital reserve is at least 1/3 of the share capital,
  - 3) from other sources defined by a resolution of the General Shareholder Meeting.

The capital reserve may be earmarked especially for:

- coverage of the net book losses,
- dividend pay-out (in the amount exceeding 1/3 of the share capital),
- cancellation of own shares (in the amount exceeding 1/3 of the share capital),
- coverage of expenditures which do not raise Company's assets, including among others: coverage of costs of research and development which failed and costs of abandoned creation of tangible fixed assets.

The way of utilization of the other capital reserve is set by the General Shareholder Meeting, however its part of 1/3 of the share capital shall be earmarked for the coverage of book losses only.

4. The other capital reserve is created:
  - 1) from the distribution of profits – in the amount defined by a resolution of the General Shareholder Meeting,
  - 2) from other sources defined by a resolution of the General Shareholder Meeting.

The other capital reserve may be earmarked especially for:

- investment goals,
- dividend pay-out,
- coverage of particular Company's losses or its particular expenditures,

Moreover, there may be created purposeful capital reserve earmarked for the goals set in the decision concerning its creation

5. The revaluation reserve is created and utilized pursuant to the law.
6. The Company also may create other purposeful funds.



#### § 15

1. The Company runs the accountancy pursuant to the law. The organization and accounting techniques shall be defined by the Management. The auditor who examines the annual financial statement shall be chosen by the Supervisory Board.
2. Calendar year is the accounting period. The Management prepares the annual financial statement of the Company and Management's report and submits these documents to the Supervisory Board within 3 months since the date of the balance sheet.

### **VI. FINAL PROVISION**

#### § 16

If the annual Company's balance sheet shows a loss exceeding the sum of the capital reserve and 1/3 of the share capital, the Management Board is obliged to convene immediately a General Shareholder Meeting so as to pass a resolution determining further Company's existence.

#### § 17

1. The Company, with accordance to the law, issues its announcements in „Monitor Sądowy i Gospodarczy” and in „Monitor Polski B”. If the law requires the issue of announcements in other papers, these announcements shall be issued in Rzeczpospolita daily.
2. The announcements mentioned in the clause 1 shall be post up on the Company's area in publicly available places for shareholders and employees.

#### § 18

In cases not defined by this Statute, there should be the provisions of the Commercial Companies Code applied.

Warsaw, 14 December 2013