**ARTICLES OF ASSOCIATION**

**OF
FEERUM SPÓŁKA AKCYJNA**

**/unified text as at 6 May 2013/**

**I. GENERAL PROVISIONS**

**§ 1.**

1. The business name of the Company is: Feerum Spółka Akcyjna.
2. The Company can use abbreviated business name: Feerum S.A and the distinctive figurative mark (logo).

**§ 2.**

The registered office of the Company shall be in the town of Chojnów.

**§ 3.**

1. The Company shall operate in the Republic of Poland and abroad.
2. Within the area of its operations the Company may establish and dissolve branches, representative offices and companies, enter into partnerships and participate in other undertakings.

**§ 4.**

The Company was established for an unlimited period of time.

**§ 5.**

The Company’s founders are the following:

1. Daniel Janusz,
2. Magdalena Łabudzka – Janusz.

**II. THE SCOPE OF BUSINESS ACTIVITIES OF THE COMPANY**

**§ 6.**

1. The Company’s business activities include:
2. manufacture of metal structures and parts of structures (PKD 25.11.Z),
3. manufacture of other tanks, reservoirs and containers of metal (PKD 25.29.Z),
4. manufacture of instruments and appliances of measuring, testing and navigation (PKD 26.51.Z),
5. manufacture of ovens, furnaces and furnace burners (PKD 28.21.Z),
6. manufacture of lifting equipment and gripping devices (PKD 28.22.Z),
7. manufacture of industrial cooling and ventilation equipment (PKD 28.25.Z),
8. manufacture of other general-purpose machinery not elsewhere classified (PKD 28.29.Z),
9. manufacture of agricultural and forestry machinery (PKD 28.30.Z),
10. manufacture of machinery for food, beverage and tobacco processing (PKD 28.93.Z),
11. manufacture of other special-purpose machinery not elsewhere classified (PKD 28.99.Z),
12. repair and maintenance of machinery (PKD 33.12.Z),
13. installation of industrial machinery and equipment and outfit (PKD 33.20.Z),
14. freight transport by road (PKD 49.41.Z),
15. buying and selling of own real estate (PKD 68.10.Z),
16. rental and operating of own or leased real estate (PKD 68.20.Z),
17. accounting, bookkeeping and auditing activities; tax consultancy (PKD 69.20.Z),
18. business and other management consultancy activities (PKD 70.22.Z),
19. engineering activities and related technical consultancy (PKD 71.12.Z),
20. research and experimental development on biotechnology (PKD 72.11.Z),
21. other research and experimental development on natural sciences and engineering (PKD 72.19.Z),
22. specialised design activities (PKD 74.10.Z),
23. other professional, scientific and technical activities not elsewhere classified (PKD 74.90.Z),
24. leasing of intellectual property and similar products, except copyrighted works (PKD 77.40.Z).
25. If the Company is required under the law to obtain any licence, permission, authorisation or other similar decisions of competent government authorities or to make any notifications, announcements or take any similar steps in order to perform particular business activities, the Company shall start to perform these activities after obtaining such licence, permission, authorisation or other similar decisions of competent government authorities or after making such notifications, announcements or taking similar steps.

**III. SHARE CAPITAL**

**§ 7.**

* 1. The Company’s share capital is PLN 33,382,706.00 (in words: thirty three million three hundred eighty two seven hundred six zloty) and is divided into 9,537,916 (in words: nine million five hundred thirty seven thousand nine hundred sixteen) shares of nominal value of PLN 3.50 (in words: three zloty fifty grosz) each, including:
1. 1,000,000 (one million) A-series bearer shares, with numbers from A-1 to A-1,000,000,
2. 335,000 (in words: three hundred thirty five thousand) B-series bearer shares, with numbers from B-1 to B-335,000,
3. 3,060,301 (in words: three million sixty thousand three hundred one) C-series registered shares, with numbers from C-1 to C-3,060,301,
4. 2,942,615 (in words: two million nine hundred forty two thousand six hundred fifteen) D-series registered shares, with numbers from D-1 to D-2,942,615,
5. 2,200,000 (in words: two million two hundred thousand) E-series common bearer shares, with numbers from E-1 to E-2,200,000.
	1. ¼ (one fourth) of the share capital was paid up prior to incorporation of the Company.
	2. The Company may issue registered shares or bearer shares.
	3. C- and D-series shares shall be converted into bearer shares upon their dematerialisation in accordance with the provisions of the Act on Trading in Financial Instruments of 29 July 2005.
	4. Conversion of bearer shares into registered shares is not permitted in the period when these shares are dematerialised.
	5. The Company may issue bonds convertible into shares, pre-emptive right bonds or subscription warrants.

**§ 8.**

1. The shares may be redeemed upon the consent of a shareholder through their acquisition by the Company (voluntary redemption).
2. Share redemption shall require adoption of a relevant resolution by the General Meeting. Resolution of the General Meeting on redemption of shares shall specify the manner and conditions of share redemption, in particular the legal basis for the redemption, the amount of consideration payable to the shareholder of the redeemed shares or a statement of reasons for share redemption without a consideration as well as the method of reducing the share capital.

**IV. THE COMPANY’S GOVERNING BODIES**

**§ 9.**

The Company’s governing bodies are the following:

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

**General Meeting**

**§ 10.**

1. The General Meeting shall be convened as ordinary or extraordinary.
2. An Ordinary General Meeting should be held within 6 (six) months after the end of each business year.
3. The General Meeting shall be convened by the Management Board of the Company on its own initiative, as well as at a written request of the Supervisory Board or at the request of shareholders representing at least 1/20 (one-twentieth) of the share capital.
4. An Extraordinary General Meeting shall be convened within two weeks from the date of submitting the request.
5. The Supervisory Board shall have the right to convene an Ordinary General Meeting if the Management Board fails to convene such a meeting within the time period determined in these Articles of Association, and an Extraordinary General Meeting if the Supervisory Board considers it necessary.
6. An Extraordinary General Meeting may also be convened by shareholders representing at least one half of the share capital or at least one half of the total number of votes in the Company. The shareholders shall appoint the chairman of such a Meeting.

**§ 11.**

1. The responsibilities and powers of the General Meeting, apart from those reserved in the absolutely mandatory law provisions and other provisions of the Articles of Association, shall include:
2. examination and approval of the report of the Management Board on the Company’s activities and the financial statements for the previous business year;
3. distribution of profit or coverage of loss and allocation of the funds created by the Company,
4. appointment and dismissal of members of the Supervisory Board, determination of the rules of remunerating members of the Supervisory Board,
5. acknowledgement of the fulfilment of duties by members of the Supervisory Board and members of the Management Board,
6. amendments to the Articles of Association of the Company,
7. increase and decrease of the Company’s share capital,
8. merger and transformation of the Company,
9. dissolution and liquidation of the Company,
10. issue of convertible bonds or pre-emptive right bonds,
11. consent to disposal or lease of an enterprise or its organised part and establishment of a limited material right on the enterprise or its organised part,
12. taking any decisions concerning claims for compensation of damage done during establishment of the Company or exercising management or supervisory functions.
13. approval of the Regulations of the General Meeting.
14. Acquisition and disposal of real property, perpetual usufruct or interest in a real property by the Company shall not require a resolution of the General Meeting.
15. Individual issues included in the agenda of the General Meeting may be – at a request of a shareholder or shareholders – deleted from the agenda or omitted, after prior consent of all shareholders who have submitted such request, supported by a resolution of the General Meeting adopted by a majority of ¾ (three quarters) of votes cast.
16. Resolution of a significant change in the Company’s business activity shall not require the redemption of shares of the Company within the meaning of Article 416 § 4 of the Code of Commercial Companies if it is adopted by a majority of 2/3 (two thirds) of votes and if at least one half of the share capital is represented at the General Meeting.

**§ 12.**

1. The General Meeting shall be opened by the Chairman of the Supervisory Board and in case of his/her absence – Vice-Chairman of the Supervisory Board or in the absence of both the Chairman and the Vice-Chairman of the Supervisory Board – the President of the Management Board or the person appointed by the Management Board.
2. Subject to the binding laws and these Article of Association, resolutions of the General Meeting shall be adopted by the absolute majority of votes.
3. Resolutions of the General Meeting on the following issues shall require a qualified majority of three quarters of the votes cast:
4. redemption of shares in the case referred to in Article 415 § 4 of the Code of Commercial Companies,
5. merger of the Company with another company in the case referred to in Article 506 § 2 of the Code of Commercial Companies.
6. The General Meeting shall adopt resolutions irrespective of the number of the shareholders present and the number of shares represented at the Meeting, unless these Articles of Association or provisions of the Code of Commercial Companies provide otherwise.
7. Unless these Articles of Association or provisions of the Code of Commercial Companies provide otherwise, each share shall entitle to one vote at the General Meeting.
8. The General Meeting shall vote in an open ballot. Secret ballot shall be ordered in case of election, motions for dismissal of members of the Company’s governing bodies or liquidators, holding them liable, as well as in case of personnel matters. Furthermore, secret ballot shall be ordered at the request of at least one of shareholders present or represented at the General Meeting.
9. Shareholders may participate in the General Meeting and exercise the right to vote in person or by proxies.
10. The General Meeting shall operate based on the regulations adopted by it.
11. General Meetings shall be held in the Company’s registered office, in Legnica or in Warsaw.

**Supervisory Board**

**§ 13.**

1. The Supervisory Board shall be composed of 3 (three) – and in case the Company decides to apply for obtaining the status of a public company within the meaning of the Act on Public Offering – of 5 (five) members.
2. The General Meeting shall appoint and dismiss members or a member of the Supervisory Board.
3. Members of the Supervisory Board shall be appointed for a joint term of office of 5 (five) years.
4. The Supervisory Board shall elect the Chairman and the Vice-Chairman from among its members, it may also elect the secretary.
5. From the day the Company becomes a public company within the meaning of the Act on Public Offering, 2 (two) independent members may be appointed to the Supervisory Board. Each of the independent members should meet all the criteria set out in the corporate governance rules or best practices applicable to companies whose shares are traded on the regulated market on which the Company will be listed.
6. Each shareholder may propose candidates for an independent member of the Supervisory Board in writing to the Management Board, no later than 7 (seven) days before the date of the General Meeting which is to elect such member. The proposal shall contain the personal data of the candidate and the justification for the nomination, with the description of the qualifications and professional experience of the candidate. A written statement of the candidate on the consent to nomination to the Supervisory Board and confirming that the candidate meets the independence criteria referred to in para. 5 above, in which he/she agrees to immediately notify in case of loss of such independence, shall be enclosed to the nomination proposal. If candidates meeting the independence criteria are not proposed according to the above procedure, a candidate for an independent member of the Supervisory Board shall be proposed by the Management Board during the General Meeting.

**§ 14.**

1. The Supervisory Board shall exercise permanent supervision over all activities of the Company.
2. The powers and responsibilities of the Supervisory Board, apart from those provided for in the binding laws, shall include in particular:
3. appointment and dismissal of members of the Management Board,
4. suspending individual or all members of the Management Board,
5. annual assessment of the Management Board’s report on the Company’s activities and the financial statements prepared as at the last day of the business year of the Company, and submitting the Supervisory Board’s report on assessment of these statements and report to the General Meeting,
6. reviewing and expressing opinions on the Management Board’s motions concerning distribution of profit or coverage of loss, and submitting the motions with the expressed opinions to the General Meeting,
7. seconding its members to temporarily perform the duties of the Management Board of the Company in case a member or all members of the Management Board have been suspended or are not able to perform their duties for other reasons,
8. representing the Company with regard to the activities between the Company and members of the Management Board of the Company, including those related to the employment relationship,
9. approval of long-term operating programmes and annual economic and financial operating plans adopted by the Management Board,
10. adoption, at the request of the Management Board, regulations for the funds created by a resolution of the General Meeting,
11. choosing and changing an entity authorised to audit financial statements,
12. consent to the conclusion of agreements between the Company and the Entities Affiliated with the Company, excluding typical transactions and agreements concluded on a commercial basis as part of ongoing operations of the Company and the Subsidiary,
13. approval of the regulations of the Management Board,
14. consent to establishment of other companies or entering into other partnerships and to disposal of shares in them,
15. consent to acquisition or disposal of real property, perpetual usufruct or interest in a real property,
16. consent to issue ordinary bonds
17. determining the remuneration of members of the Management Board.
18. The Supervisory Board may appoint committees (including the Audit Committee and the Remuneration Committee), both standing and temporary to clarify certain issues, provided that the subject of their work falls within the scope of powers and responsibilities of the Supervisory Board. The Supervisory Board shall determine the organisation, operation, and powers and responsibilities of the above-mentioned committees, as well as appoint and dismiss their members.

**§ 15.**

1. Meetings of the Supervisory Board shall be convened when necessary but at least once per calendar quarter.
2. Meetings of the Supervisory Board shall be convened and chaired by the Chairman of the Supervisory Board and if the Chairman is unable to do so – by his/her deputy or a person appointed by the Chairman.
3. The Chairman of the Supervisory Board is obliged to convene a meeting of the Supervisory Board also at a written request of the Management Board of the Company or each member of the Supervisory Board. The meeting should be convened within 2 (two) weeks from the day of submission of the request.

**§ 16.**

1. The Supervisory Board shall adopt resolutions if at least half of its members are present at the meeting, and all its members have been notified of the meeting, unless the Articles of Association or provisions of law provide for stricter conditions.
2. Adoption of resolutions by the Supervisory Board shall require the absolute majority of votes cast. In case of equal number of votes, the Chairman shall have the casting vote.
3. Members of the Supervisory Board may participate in adopting resolutions by casting their votes in writing, through another member of the Supervisory Board. Casting written votes cannot be applied to the issues that have been included in the agenda during the meeting of the Supervisory Board.
4. The Supervisory Board has the right to adopt resolutions in writing or by means of direct long-distance communication. A resolution adopted in such a way shall be valid if all members of the Supervisory Board have been notified of the content of the draft resolution.
5. Voting on resolutions according to the procedure specified in paragraphs 3 and 4 shall not apply to election of the Chairman and Vice-Chairman of the Supervisory Board, appointment of a member of the Management Board, as well as dismissal and suspension from duties of such persons.

**§ 17.**

The Supervisory Board shall adopt its own Regulations, which shall specify its operational rules.

**§ 18.**

Members of the Supervisory Board shall be entitled to reimbursement of costs relating to their participation in the work of the Supervisory Board. The amount of remuneration shall be determined by a resolution of the General Meeting.

**The Management Board**

**§ 19.**

* 1. The Management Board shall be composed of 1 (in words: one) to 3 (in words: three) members, appointed and dismissed by the Supervisory Board.
	2. The number of members of the Management Board of each term of office shall be determined by the Supervisory Board.
	3. The term of office of members of the Management Board shall be 5 (five) years. Members of the Management Board shall be appointed for a joint term of office.

**§ 20.**

1. Adoption of resolutions by the Management Board shall require the absolute majority of votes cast. In case of an equal number of votes, the President of the Management Board shall have the casting vote.
2. The detailed operational rules of the Management Board shall be specified in the regulations adopted by the Management Board and approved by the Supervisory Board.

**§ 21.**

1. The Management Board shall manage the Company’s activities and represent it. All Company’s matters that are not reserved by the provisions of law or provisions of these Articles of Association for the General Meeting or for the Supervisory Board shall be decided on by the Management Board.
2. The President of the Management Board acting individually or two Members of the Management Board acting jointly or one Member of the Management Board acting jointly with a commercial proxy shall be entitled to make declarations of intent and to sign documents on behalf of the Company.
3. With regard to the agreement between the Company and a member of the Management Board, as well as any dispute with the member, the Company shall be represented by the Supervisory Board or a proxy appointed by a resolution of the General Meeting. The same procedure shall apply to other activities related to the employment relationship or other legal relationship between a member of the Management Board and the Company.

**V. FINANCIAL MANAGEMENT AND ACCOUNTING OF THE COMPANY**

**§ 22.**

1. The Company shall keep accounting records in accordance with applicable law.
2. The calendar year shall be the Company’s business year.

**§ 23.**

1. The Company shall create supplementary capital to cover losses. At least 8% of the profit generated in a particular business year shall be transferred to the supplementary capital, until the capital amounts to at least 1/3 (one third) of the share capital.
2. The Company may form and dissolve, by a resolution of the General Meeting, other capitals and funds to cover special expenditure (reserve capitals and special purpose funds).
3. The use of reserve capitals and special purpose funds shall be determined by law, resolutions of the General Meeting and fund regulations adopted by the Supervisory Board at the request of the Management Board.

**§ 24.**

1. The way of distribution of the Company’s net profit shall be determined by a resolution of the General Meeting.
2. The General Meeting may assign part of the profit for:
3. transfer to the supplementary capital, at least in the amount required by law, provided that on the date of registration this capital was lower or was used to cover losses,
4. other capitals and funds, investment or other purposes determined by a resolution of the General Meeting,
5. dividend for the shareholders.
6. The General Meeting shall specify the date in respect of which the list of shareholders entitled to dividend for a particular business year (dividend record date) and the dividend payment date should be set.
7. The Management Board shall be entitled to pay to the shareholders an advance on the anticipated dividend at the end of the business year, provided that the Company has sufficient funds and the Supervisory Board has consented to payment of such advance.

**VI. FINAL PROVISIONS**

**§ 25.**

The Company shall publish its announcements in the Court and Economic Monitor (Monitor Sądowy i Gospodarczy).

**§ 26.**

The Company shall be dissolved and liquidated according to the rules set out in the Code of Commercial Companies.

**§ 27.**

In matters not regulated herein, the provisions of the Code of Commercial Companies and other applicable legal deeds shall apply.

**§ 28.**

For the purposes of these Articles of Association:

* 1. The Act on Public Offering shall mean the Act of 29 July 2005 on Public Offering and Conditions of Introducing Financial Instruments to Organised Trading and on Public Companies (Journal of Laws no. 185, item 1439, as amended);
	2. Affiliated Entity shall mean an affiliated entity as defined in the Regulation of the Minister of Finance of 19 February 2009 on current and interim information to be submitted by issuers of securities and conditions for considering as equivalent information required under the law of a non-member state (Journal of Laws no. 33, item 259);
	3. Subsidiary shall mean a subsidiary within the meaning of the Act of 29 July 2005 on Public Offering and Conditions of Introducing Financial Instruments to Organised Trading and on Public Companies (Journal of Laws no. 185, item 1439, as amended).