

# UNIFIED TEXT OF T.C. DĘBICA S.A. ARTICLES



## **I GENERAL PROVISIONS**

### **PARAGRAPH 1**

1. The Company's enterprise is: Firma Oponiarska Dębica Spółka Akcyjna.
2. The Company may use the abbreviations: T.C. Dębica S.A. or Tyre Company Dębica S.A.

### **PARAGRAPH 2**

The Company's seat is the City of Dębica.

### **PARAGRAPH 3**

1. The Company shall operate on the grounds of the Polish Code of Commercial Partnerships and Companies and other relevant regulations.
2. In the absence of provisions herein, the regulations specified in Section 1 hereabove shall be applied.

### **PARAGRAPH 4**

1. The Company shall operate within Poland and abroad.
2. The Company shall be established for an unspecified time.

## II THE OBJECT OF THE COMPANY'S ACTIVITIES

### PARAGRAPH 5

The object of the Company's activities shall comprise:

1. Manufacture of rubber tires and tubes for means of transport 25.11.Z
2. Retreading and rebuilding of rubber tires 25.12.Z
3. Manufacture of rubber engineered products 25.13.A
4. Manufacture of other special purpose machinery,  
excluding services 29.56.A
5. Rendering services with regard to fitting, repair  
and maintenance of other special purpose machinery 29.56.B
6. Rendering services with regard to fitting, repair  
and maintenance of other electrical equipment,  
not classified elsewhere 31.62.B
7. Production of electricity 40.10.A
8. Transmission of electricity 40.10.B
9. Distribution of electricity 40.10.C
10. Manufacture of heat (steam and hot water) 40.30.A
11. Heat (steam and hot water) supply 40.30.B
12. Collection and purification of water, excluding services 41.00.A
13. Rendering services with regard to distribution of water 41.00.B
14. Maintenance and repair of motor vehicles 50.20.A
15. Wholesale of motor vehicle parts and accessories 50.30.A
16. Retail sale of motor vehicle parts and accessories 50.30.B
17. Wholesale of chemical products 51.55.Z
18. Other specialized wholesale 51.70.A
19. Other retail sale in non-specialized stores 52.12.Z
20. Other provision of lodgings, not classified elsewhere 55.23.Z
21. Canteens 55.51.Z
22. Other land passenger transport 60.23.Z
23. Freight transport by road with use of universal vehicles 60.24.B
24. Storage and warehousing 63.12.Z
25. Activities of other transport agencies 63.40.Z
26. Research and experimental development on natural sciences  
and engineering 73.10.G
27. Business and management consultancy activities 74.14.Z
28. Architectural and engineering activities and related  
technical consultancy 74.20.A
29. Other business activities, not classified elsewhere 74.84.B

### **III SHARE CAPITAL**

#### **PARAGRAPH 6**

1. The Company's share capital shall be divided into 13,802,750 (say: thirteen million, eight hundred and two thousand, seven hundred and fifty) shares having nominal value of PLN 8.00 (say: eight zlotys) each.
2. The share capital amounts to PLN 110,422,000 (say: one hundred and ten million, four hundred and twenty two thousand zlotys).

#### **PARAGRAPH 7**

1. All the Company's shares are bearer shares and are not subject to conversion to inscribed shares.
2. The following shares are the Company's shares:
  - A Series Shares having numbers from no. 000000001 to no. 008400000.
  - B Series Shares having numbers from no. 008400001 to no. 010100000.
  - C Series Shares having numbers from no. 010100001 to no. 013802750.

#### **PARAGRAPH 8**

1. Shares may be redeemed either upon consent of a shareholder through the acquisition of the shares by the Company (voluntary redemption) or without the consent of the shareholder (compulsory redemption). A redemption of Company shares requires a decrease in the share capital. The resolution on a decrease in the share capital should be adopted at the General Shareholders' Meeting, which adopts the resolution on the redemption of shares.
2. Company shares may be redeemed from net profit or from other Company assets.
3. The basis for calculating the payment due to shareholders as a result of redemption of their shares is the last stock exchange price of the shares before the resolution is passed by the General Shareholders' Meeting concerning the redemption of shares.
4. In the case of voluntary redemption, Company shares may be redeemed without making payment to the shareholders holding the redeemed shares.
5. In exchange for redeemed shares, the Company may issue utility certificates without a specified nominal value (inscribed or bearer). Utility certificates may be redeemed. The provisions of the Polish Code of Commercial Partnerships and Companies and the Company Articles concerning redemption of shares shall apply accordingly to the redemption of utility certificates. Utility certificates may be acquired by the Company.
6. The detailed rules for redeeming shares and utility certificates are set down by a relevant resolution of the General Shareholders' Meeting.

## **IV THE COMPANY'S BODIES**

### **PARAGRAPH 9**

The Company's bodies shall be as follows:

- A) The Management Board
- B) The Supervisory Board
- C) General Shareholders' Meeting

### **A) THE MANAGEMENT BOARD**

#### **PARAGRAPH 10**

1. The Company's Management Board shall consist of 3 to 7 members. A Management Board member shall not hold this office for more than one year (term of office). Management Board members are appointed for a common term of office. The term of office starts on the day of appointment and expires no later than on the day on which the General Shareholders' Meeting is convened to approve financial statement for the year in which the term of office has commenced.
2. Members of the Management Board may be elected for consecutive term of office.
3. The number of members of the Management Board shall be determined by the Supervisory Board.
4. The Supervisory Board shall appoint and dismiss the President of the Management Board and other members of the Board.
5. A Management Board member's term of office expires as a result of expiration of the term of office, death, resignation or if he/she is dismissed from the Management Board. Resignation is effective as of date on the written declaration is submitted to the Company or in the subsequent date set forth in such declaration. The indicated date can not exceed 30 days since the written declaration has been submitted to the Company. In case the subsequent date of effectiveness of resignation is provided for longer than 30 days, it shall be deemed that the resignation is effective after 30 days since the written declaration has been submitted to the Company.
6. In contracts of employment and in any other contracts concluded between the Company and members of the Management Board, as well as in any litigation between the parties, the Company shall be represented by the Chairman of the Supervisory Board. Fixing the principles for remuneration and any other conditions included in the aforementioned contracts shall be within the Chairman's exclusive jurisdiction.

## **PARAGRAPH 11**

1. The Company's Management Board shall manage and represent the Company.
2. All matters connected with running of the Company, which under the law or these Articles do not fall within the competencies of General Shareholder Meeting or the Supervisory Board, shall be included into the Management Board's scope of activities.
3. The Regulations of the Management Board shall determine, in detail, the mode of the Board's operation. The Regulations shall be adopted by the Management Board and approved by a resolution of the Supervisory Board.

## **PARAGRAPH 12**

The following persons shall be authorized to make declarations on behalf of the Company: two members of the Management Board acting jointly or one member of the Board acting jointly with a procurator.

## **PARAGRAPH 13**

1. All Management Board members are obliged and entitled to jointly manage the Company affairs.
2. For the validity of the Management Board resolutions, presence of at least a half of its members shall be required. Resolutions of the Management Board may be adopted if all the members have been correctly informed of the Management Board session.
3. The Management Board resolutions shall be passed with the absolute majority of votes. In the case of an equal number of votes, President's vote shall be a casting one.
4. The Chairman of the Management Board shall conduct Management Board activities, in particular he/she shall determine division of obligations among members of the Management Board.
5. In case of emergency, the Management Board shall be empowered:
  - (i) to pass resolutions without convening a meeting, given all of the members be able to hear each other simultaneously and to communicate with each other with use of a telephone or any other means of telecommunication;
  - (ii) to pass resolutions by way of a secret ballot voting, given all of the members consent to it.
6. Resolutions passed in the manner specified above in Item 5 (i) and (ii) shall be minuted and then signed, in accordance with Article 376 of the Polish Code of Commercial Partnerships and Companies. The minutes shall reflect the cause, which justifies passing of the resolution in the manner it has been passed, as well as the consent of all of members of the Board.

## **B) THE SUPERVISORY BOARD**

### **PARAGRAPH 14**

1. The Supervisory Board shall consist of 5 to 9 members. A Supervisory Board member shall not hold this office for more than one year (term of office). Supervisory Board members are appointed for a common term of office. The term of office starts on the day of appointment and expires no later than on the day on which the General Shareholders' Meeting is convened to approve financial statement for the year in which the term of office started.
2. One representative of the Company's enterprise employees shall be included in the composition of the Supervisory Board.
3. The manner of election of the Board's member from among the Company's employees shall be determined by the Regulations passed by the Trade Unions operating in the Company and approved by the Supervisory Board. In the case the Regulations are not passed within the term fixed by the Supervisory Board, they shall be passed by the Supervisory Board itself.
4. In the case the position of the Board's member elected by the General Shareholders' Meeting be free, the Board shall complete its composition through co-opting within 15 days from the receipt of information of the circumstance.
5. In the case the position of the Board's member elected by the employees is free, the Board shall announce a by-election within 15 days from the receipt of information of the circumstance. The by-election shall be carried out in the manner specified in the Regulations mentioned in Item 3 hereabove, and it shall be held within a month from the announcement. However, until such time as the position has been filled, the Supervisory Board's resolutions shall be valid, unless they are not compliant with Article 385 Paragraph 1 of the Polish Code of Commercial Partnerships and Companies.
6. A Supervisory Board member's term of office expires as a result of expiration of the term of office, death, resignation or if he/she is dismissed from the Supervisory Board. Resignation is effective as of date on which the written declaration is submitted to the Company or on the subsequent date set forth in such declaration. The indicated date cannot exceed 30 days since the written declaration has been submitted to the Company. In case the subsequent date of effectiveness of resignation is provided for longer than 30 days, it shall be deemed that the resignation is effective after 30 days since the written declaration has been submitted to the Company.

### **PARAGRAPH 15**

1. The Supervisory Board shall elect a Chairman, a Deputy Chairman and also a Secretary of the Board from among its members, if needed.
2. The Chairman of the Supervisory Board, and in his/her absence - the Deputy Chairman, shall convene the Board's meetings and preside over them. Chairman of the preceding tenure shall convene and open the first meeting of the newly-elected Supervisory Board and shall preside over it until the new Chairman has been elected.

3. The Supervisory Board may remove the Chairman, the Deputy Chairman and the Secretary of the Board.

#### **PARAGRAPH 16**

1. The Supervisory Board should meet as the need arises, though at least three times in the financial year.
2. The Management Board, a member of the Supervisory Board may request that a meeting of the Supervisory Board be convened, and submit a proposed agenda. The Chairman of the Supervisory Board shall convene the meeting within two weeks of receipt of the request.
3. For the validity of the Supervisory Board resolutions, it shall be required to invite all of the Board's members, and presence of at least a half of its members shall be required.
4. The Supervisory Board resolutions shall be passed with the absolute majority of votes. In the case of an equal number of votes, the Chairman's vote shall be a casting one.
5. The Supervisory Board may pass resolutions in writing or through the use of direct long distance communication systems. The resolution is valid if all Supervisory Board have been informed of the contents of the draft resolution. Voting by correspondence cannot apply to matters entered into the agenda during the Supervisory Board session.
6. Supervisory Board members may participate in adopting resolutions by casting their votes through another Supervisory Board member.
7. The Supervisory Board shall pass its Regulations determining in detail the mode of its operation.

#### **PARAGRAPH 17**

1. The Supervisory Board shall exercise permanent supervision over the Company's operation, in all areas of its activities.
2. Apart from the matters reserved by the provisions of these Articles, the Supervisory Board shall be entitled:
  1. to examine the financial statements;
  2. to examine the Management Board's report, as well as the Management Board's motions as to the distribution of profit or the coverage of loss;
  3. to submit to General Shareholders' Meeting a written report on results of the actions referred to in Items 1 and 2;
  4. to approve establishing or participating in a company or a syndicate;
  5. to approve selling or purchasing shares in other companies or purchasing their affiliates by the Company;
  6. to approve selling an organized part of the Company's property, with reference to the stipulations of Article 393, Items 3&4 of the Polish Code of Commercial Partnerships and Companies;

7. to approve employing other legal actions which may be of binding force or may enable managing the Company's fixed assets, including acquisition or disposal of real estate, if the value of a single legal action should exceed the zloty equivalent of US\$ 500,000 (say: five hundred thousand dollars) or in the case of interconnected actions executed within consecutive 12 months exceeding the zloty equivalent of US\$ 1,000,000 (say: one million dollars) and concluding contracts of management, contracts of joint investment, license contracts or long-term contracts for co-operation, and establishing patent companies;
8. to approve charging the Company's property with the amount exceeding the zloty equivalent of US\$ 1,000,000 (say: one million dollars) or to give guarantees amounting to the sum hereabove for the term of 12 consecutive months;
9. to fix remuneration for the members of the Supervisory Board who have been assigned to temporarily perform the functions of members of the Management Board;
10. to give written opinions on motions concerning the issues covered in Paragraph 26, Item 1 of these Articles, and submitted to general shareholders' meeting;
11. to suspend for important reasons individual or all members of the Management Board in their functions;
12. to assign its member or members to temporarily perform the duties of the Company Management Board in the case of suspension or removal of individual or all members the Management Board or when, owing to other reasons, the Management Board is unable to perform its functions;
13. to approve the Regulations of the Company Management Board;
14. to appoint an auditor to examine the Company's financial reports.

#### **PARAGRAPH 18**

The Supervisory Board members shall exercise their rights and fulfill their duties personally. The remuneration for the Supervisory Board members shall be fixed by General Shareholders' Meeting.

#### **C) GENERAL SHAREHOLDERS' MEETING**

#### **PARAGRAPH 19**

1. General Shareholders' Meeting shall debate as an ordinary or extraordinary general shareholders' meeting.
2. Ordinary general shareholders' meeting shall be convened by the Company's Management Board within 6 months after the end of each financial year.
3. Shareholders shall be entitled to participate in the General Shareholders' Meeting and to perform their voting right personally or by attorneys.

4. Power of attorney to participate in the General Shareholders' Meeting and to exercise voting rights shall be given in writing or in an electronic form. Upon an opinion given by a notary public drawing up the Minutes of the Meeting, the Chairman of the Meeting decides whether the submitted powers of attorney are valid for the purposes of representing shareholders at the Meeting. The original of a power of attorney drawn up in a foreign language should be submitted along with its Polish translation done by a sworn translator.

#### **PARAGRAPH 20**

1. The General Shareholders' Meeting may pass resolutions only on items on the agenda. The agenda is determined by the Company Management Board.
2. The Supervisory Board has the right to convene an Ordinary General Shareholders' Meeting, if the Management Board has not convened it by the dates set forth in the relevant regulations, and the Extraordinary General Shareholders' Meeting, if the Supervisory Board has considered advisable to do so.
3. A shareholder or shareholders representing at least 1/20 of the share capital may request that an Extraordinary General Shareholders' Meeting be convened, as well as demand that particular items be placed on the agenda of the next General Shareholders' Meeting, pursuant to the provisions of the Commercial Companies' Code.

#### **PARAGRAPH 21**

General Shareholders' Meetings shall be held in Warsaw or at the Company's seat.

#### **PARAGRAPH 22**

1. The General Shareholders' Meeting may adopt resolutions by an absolute majority of the votes in the presence of shareholders representing at least one fourth of the share capital.
2. Each share shall give the right to one vote at General Shareholders' Meeting, unless these Articles or the rules of law provide otherwise.

#### **PARAGRAPH 23**

In the case provided for under article 397 of the Polish Code of Commercial Partnerships and Companies, a majority of three fourths of the votes cast shall be required to pass a resolution on the Company's dissolution.

#### **PARAGRAPH 24**

1. Voting shall be open. Voting by ballot shall be ordered in elections and upon motions for removal of the bodies' members or liquidators, or for bringing them to justice, as well as in personnel matters. Also voting by ballot shall be ordered upon a motion of at least one of the members present or represented at the General Shareholders' Meeting.

2. Resolutions on a significant alteration of the object of the Company's activities should be adopted by way of open and personal voting by roll call.

#### **PARAGRAPH 25**

1. The General Shareholders' Meeting shall be opened by the Chairman or the Deputy Chairman of the Supervisory Board, and then a new Chairman is elected from among the persons entitled to participate in the General Shareholders' Meeting. If these persons are absent, the General Shareholders' Meeting shall be opened by the President of the Management Board or by a person designated by the Management Board.
2. General Shareholders' Meeting shall adopt its Regulations determining, in detail, the manner of holding its meetings.

#### **PARAGRAPH 26**

1. The following shall fall within the competence of General Shareholders' Meeting:
  1. Consideration and approval of the Management Board's report, the financial statements for the preceding financial year, as well as approve the performance of duties by the members of the Company bodies;
  2. Adoption of a resolution on the distribution of profit or the coverage of losses;
  3. Alteration of the object of the Company's enterprise;
  4. Alteration of the Company Articles;
  5. Increase or decrease in the share capital;
  6. The Company's amalgamation and the Company's transformation;
  7. The Company's dissolution and liquidation;
  8. Issuance of convertible bonds or with a pre-emptive right;
  9. Making any decisions relating to claims for redress of damage caused in the course of the Company's formation or in the exercise of executive or supervisory duties.
  10. Disposal or lease of the enterprise or an organized part thereof, and the establishment of a limited real right thereon.
2. The acquisition and disposal of real estate or a share in real estate does not require a resolution of the General Shareholders' Meeting.
3. Apart from the matters specified in Section 1, matters determined by the Polish Code of Commercial Partnerships and Companies shall require a resolution of General Shareholders' Meeting.

#### **PARAGRAPH 27**

With appropriate legal regulations being observed, any alteration of the object of the Company's enterprise may take place without the obligation of purchasing shares.

## **V THE COMPANY'S ECONOMY**

### **PARAGRAPH 28**

The organization of the Company's enterprise shall be determined by the internal organization regulations passed by the Company Management Board and approved by the Supervisory Board.

### **PARAGRAPH 29**

1. The Company shall keep reliable and correct accounts according to the regulations in force.
2. The calendar year shall be the financial year of the Company.

### **PARAGRAPH 30**

1. The Company shall establish the following capitals:
  - (i) share capital;
  - (ii) provision capital;
  - (iii) reserve fund.
2. The provision capital shall be increased by the amount constituting the difference between the existing valuation and the valuation, which has been updated in accordance with separate regulations.

### **PARAGRAPH 31**

Within three months after the end of each financial year, the Company's Management Board shall be obliged to draw up and submit to the supervisory bodies the balance-sheet as of the last day of the year, the profit and loss account and the detailed report on the Company's operations during that period.

### **PARAGRAPH 32**

1. The manner in which Company net profit is allocated is determined by a resolution of the General Shareholders' Meeting.
2. The Company's clear profit may mainly be assigned for:
  - a. write-offs for the provision capital;
  - b. write-offs for supplying reserve funds to be established in the Company;
  - c. shareholders' dividend;
  - d. other purposes determined by a resolution of the Company's appropriate bodies.

3. Monies accumulated in reserve funds may be allocated for distribution amongst the Shareholder, for the purposes determined in Art. 348 and 349 of the Polish Code of Commercial Partnerships and Companies, to the extent not excluded by the Act or these Articles.
4. The deadline for determining rights to dividends, as well as the deadline for paying out dividends, is set down by the General Shareholders' Meeting. The deadline for determining rights to dividends may be fixed as the day on which the resolution is adopted or within a period of three consecutive months from that day.
5. The Management Board may make advance payments to shareholders against predicted dividends at the end of the financial year, if the Company holds sufficient funds for such payment.

## **VI FINAL STIPULATIONS**

### **PARAGRAPH 33**

The Company shall make its announcements in 'Monitor Sądowy i Gospodarczy' (Legal and Economic Journal).