

## **ANNOUNCEMENT OF THE MANAGEMENT BOARD OF POLNORD SPÓŁKA AKCYJNA ON CONVENTION OF THE EXTRAORDINARY GENERAL MEETING**

The Management Board of POLNORD Spółka Akcyjna with its registered office in Gdynia (the "**Company**"), acting on the basis of Articles 398, 399 § 1 in conjunction with Articles 402<sup>1</sup> and 402<sup>2</sup> of the Code of Commercial Companies and Partnerships (the "**CCCCP**") and § 19 Section 3 of the Company's Articles of Association, convenes the 29<sup>th</sup> Extraordinary General Meeting (the "**EGM**") that will take place on December 3<sup>rd</sup> 2013 at 12.00 p.m. in Gdynia, ul. Śląska 35/37, 1st floor - conference room.

### **Agenda:**

1. Opening of the meeting and selection of the Chairman of the EGM.
2. Verification of correctness of convening the EGM and its capability to adopt resolutions.
3. Adoption of the agenda of the EGM and applicable regulations of General Meetings.
4. Appointment of the Returning Committee.
5. Adoption of a resolution regarding the amendment to the Company's Articles of Association.
6. Adoption of a resolution regarding the amendment of the Rules of Procedure of Company's General Meetings.
7. Adoption of a resolution regarding changes in the composition of the Supervisory Board and determination of the number of members of the Supervisory Board.
8. Closure of the EGM.

### **Draft amendments of the Company's Articles of Association**

The Company's Management Board announces draft amendments to the Company's Articles of Association.

(A) Current wording of § 10 clause 5 of the Company's Articles of Association:

*"5. A Member of the Management Board may be at any time dismissed and suspended – for important reasons – by the Supervisory Board. A resolution on this matter should be adopted by a 2/3 (two thirds) majority of votes. Dismissal of the member of the Management Board shall not deprive the member of claims under the employment relationship or other legal relationship concerning the performance of the function of the member of the Management Board."*

Proposed wording of § 10 clause 5 of the Company's Articles of Association:

*"5. A Member of the Management Board may be at any time dismissed and suspended – for important reasons – by the Supervisory Board. Dismissal of the member of the Management Board shall not deprive the member of claims under the employment relationship or other legal relationship concerning the performance of the function of the member of the Management Board."*

(B) Current wording of § 13 of the Company's Articles of Association:

- "1. The Supervisory Board shall be composed of not less than 5 and not more than 11 persons whose common term of office shall be three years.*
- 2. Resignation of any of the members of the Supervisory Board shall not automatically cause an obligation to appoint a new member of the Supervisory Board, subject to a minimum number of members of the Supervisory Board – 5 persons.*
- 3. The provision of §10 clause 4 shall apply accordingly."*

Proposed wording of § 13 of the Company's Articles of Association:

- "1. The Supervisory Board shall consist of not less than 5 and not more than 7 persons whose common term of office shall be three years.*
- 2. Subject to § 13 clauses 6-8 members of the Supervisory Board shall be appointed in the number of 7 persons during the General Meeting in accordance with the following principles:*
  - a) PROKOM Investments S.A. with its registered office in Gdynia shall appoint 3 members of the Supervisory Board, including the Chairman;*
  - b) other shareholders representing jointly at the General Meeting not less than 15% of the total number of votes in the Company shall appoint 4 members of the Supervisory Board, including the Vice-Chairman and a member meeting the independence criteria referred to in § 13 clause 5 below, from among the candidates proposed by shareholders representing at least 1% of the Company's share capital, save that PROKOM Investments S.A. with its registered office in Gdynia, its affiliates and entities acting in concert with it shall have no right to propose candidates or vote on the appointment of members of the Supervisory Board in accordance with this item b).*
- 3. Members of the Supervisory Board appointed in accordance with § 13 clause 2 item a) shall be dismissed during the General Meeting by PROKOM Investments S.A. with its registered office in Gdynia. Members of the Supervisory Board appointed in accordance with § 13 clause 2 item b) shall be dismissed during the General Meeting by other shareholders representing jointly at the General Meeting not less than 15% of the total number of votes in the Company, save that PROKOM Investments S.A. with its registered office in Gdynia, its affiliates and entities acting in concert with it shall have no right to vote on a dismissal of members of the Supervisory Board elected in accordance with § 13 clause 2 item b).*
- 4. The vote of the Chairman and Vice-Chairman of the Supervisory Board shall be equal to the vote of each of the other members of the Supervisory Board and shall not be the casting vote in the case of a tied vote during the voting on individual resolutions of the Supervisory Board.*
- 5. At least 1 member of the Supervisory Board should meet the independence criteria indicated in Annex II to the Recommendation of the European Commission of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.*
- 6. If PROKOM Investments S.A. with its registered office in Gdynia together with affiliates and entities acting in concert with it does not have at the General Meeting votes in the number corresponding to at least 15% of the total number of votes in the Company or any shareholder has a number of votes exceeding 33% of the total number of votes in the Company, all members of the Supervisory Board shall be appointed in accordance with the general principles and the rules specified in § 13 clauses 2 and 3 shall not apply.*
- 7. If the shareholders referred to in § 13 clause 2 item b) above represent at the General Meeting less than 15% of the total number of votes in the Company, no members of the Supervisory Board shall be elected and the Management Board shall convene immediately another General Meeting in order to appoint members of the Supervisory Board. The term of office of the current Supervisory Board, subject to Article 386 § 2 in conjunction with*

*Article 369 § 4 of the Code of Commercial Partnerships and Companies shall be extended in such a case until the date of such next General Meeting. If at the next General Meeting the shareholders referred to in § 13 clause 2 item b) above, represent again less than 15% of the total number of votes in the Company, all members of the Supervisory Board shall be appointed in accordance with the general principles and the rules specified in § 13 clauses 2 and 3 shall not apply.*

*8. If the shareholders referred to in § 13 clause 2 item b) above appoint fewer than 4 members of the Supervisory Board, the Management Board shall promptly convene another General Meeting to appoint other members of the Supervisory Board. If at the next General Meeting the shareholders referred to in § 13 clause 2 item b) above do not appoint other members of the Supervisory Board, such other members of the Supervisory Board shall be appointed in accordance with the general principles and may be appointed at the same General Meeting and the rules specified in § 13 clauses 2 and 3 shall not apply.*

*9. In the case of resignation of any member of the Supervisory Board, the Management Board shall promptly convene the General Meeting in order to appoint in its place a new member of the Supervisory Board in accordance with the principles set out in this § 13. Actions undertaken by the Supervisory Board shall be valid provided that the Supervisory Board consists of at least 5 persons.*

*10. The provision of §10 clause 4 shall apply accordingly."*

(C) Current wording of § 14 of the Company's Articles of Association:

*"1. The Supervisory Board shall elect from among its members the Chairman of the Supervisory Board and may also elect the Vice-Chairman of the Supervisory Board, and if necessary, the Secretary of the Supervisory Board.*

*2. The Chairman of the Supervisory Board shall convene Supervisory Board meetings and shall preside over them. In the absence of the Chairman, meetings of the Supervisory Board shall be convened and chaired by the Vice-Chairman or the Secretary of the Supervisory Board, if they were elected, or other member of the Supervisory Board designated by the Chairman or if such a member of the Supervisory Board was not designated – by the oldest member of the Supervisory Board. The Chairman of the General Meeting shall open the first meeting of the Supervisory Board and shall chair it until the Chairman of the Supervisory Board is elected.*

*3. The Supervisory Board shall adopt its Rules of Procedure specifying its organisation and the manner of its operation."*

*4. The Supervisory Board may dismiss the Chairman from this function." This shall also apply to the Deputy Chairman and the Secretary of the Supervisory Board."*

Proposed wording of § 14 of the Company's Articles of Association:

*"1. Subject to § 13 clause 2, the Supervisory Board shall elect from among its members the Chairman of the Supervisory Board and may also elect the Vice-Chairman of the Supervisory Board, and if necessary, the Secretary of the Supervisory Board.*

*2. The Chairman of the Supervisory Board shall convene Supervisory Board meetings and shall preside over them. In the absence of the Chairman, meetings of the Supervisory Board shall be convened and chaired by the Vice-Chairman or the Secretary of the Supervisory Board, if they were elected, or other member of the Supervisory Board designated by the Chairman or if such a member of the Supervisory Board was not designated – by the oldest member of the Supervisory Board.*

3. *The Supervisory Board shall adopt its Rules of Procedure specifying its organisation and the manner of its operation.*"

(D) Current wording of § 16 of the Company's Articles of Association:

*"1. Resolutions of the Supervisory Board shall be valid if all members of the Supervisory Board have been invited to the meeting and at least half of its members are present at the meeting.*

*2. Resolutions of the Supervisory Board shall be adopted by an absolute majority of votes, subject to § 10 clause 5 and § 14 clause 4 of the Articles of Association, where the majority of 2/3 (two-thirds) of votes of all members of the Supervisory Board shall be required. In the event of a tie, the Chairman of the Supervisory Board shall have the casting vote.*

*3. The Supervisory Board shall exercise regular supervision over the Company's operations and in particular the powers of the Supervisory Board shall include:*

- 1) assessing the Management Board report on Company's business operations,*
- 2) assessing the financial statements and proposals of the Management Board as to the distribution of profit or coverage of loss,*
- 3) submitting to the General Meeting of Shareholders of an annual written report on results of the assessment referred to in items 1 and 2,*
- 4) appointing and dismissing members of the Management Board subject to § 10 clause 2 and suspension, for important reasons, of individual or all the members of the Management Board,*
- 5) delegating a member or members of the Supervisory Board to temporarily act as members of the Company's Management Board if they are dismissed or suspended or if a member of the Management Board is unable to act for other reasons,*
- 6) approving the establishment by the Management Board of branches and subsidiaries of the Company which shall be self-financing,*
- 7) approving a participation in other companies in the amount of more than PLN 5 million, with the exception of companies in which the Company holds 50 (fifty) per cent or more of shares, and with the exception of newly established companies in which the Company takes up 100 (one hundred) percent of shares,*
- 8) approving a purchase and sale of real property, perpetual usufruct or a share in the real property if the transaction value exceeds one-fifth of the Company's equity,*
- 9) selecting a statutory auditor to conduct an audit of the individual and consolidated financial statements."*

Proposed wording of § 16 of the Company's Articles of Association:

*"1. Resolutions of the Supervisory Board shall be valid if all members of the Supervisory Board have been invited to the meeting and at least half of its members are present at the meeting.*

*2. Resolutions of the Supervisory Board shall be adopted by an absolute majority of votes, subject to § 16 clause 3 item 10) of the Articles of Association where the majority of 2/3 (two-thirds) of votes of all members of the Supervisory Board shall be required.*

*3. The Supervisory Board shall exercise regular supervision over the Company's operations and in particular, subject to clause 4, the powers of the Supervisory Board shall include:*

- 1) assessing the Management Board report on Company's business operations,*
- 2) assessing the financial statements and proposals of the Management Board as to the distribution of profit or coverage of loss,*

- 3) submitting to the General Meeting of Shareholders of an annual written report on results of the assessment referred to in items 1 and 2,
  - 4) appointing and dismissing members of the Management Board subject to § 10 clause 2 and suspension, for important reasons, of individual or all the members of the Management Board,
  - 5) delegating a member or members of the Supervisory Board to temporarily act as members of the Company's Management Board if they are dismissed or suspended or if a member of the Management Board is unable to act for other reasons,
  - 6) approving the establishment by the Management Board of branches and subsidiaries of the Company which shall be self-financing,
  - 7) approving a participation in other companies in the amount of more than PLN 5 million, with the exception of companies in which the Company holds 50 (fifty) per cent or more of shares, and with the exception of newly established companies in which the Company takes up 100 (one hundred) percent of shares,
  - 8) approving a purchase and sale of real property, perpetual usufruct or a share in the real property if the transaction value exceeds one-fifth of the Company's equity,
  - 9) selecting a statutory auditor to conduct an audit of the individual and consolidated financial statements,
  - 10) subject to § 16 clause 4, approving a conclusion by the Company or companies from the "POLNORD" Capital Group of a transaction or a series of transactions during the year with PROKOM Investments S.A. with its registered office in Gdynia or with its affiliates.
4. A conclusion by the Company or companies from the "POLNORD" Capital Group of a transaction with the entities referred to in § 16 clause 3 item 10) at arm's length shall not require an approval of the Supervisory Board, if:
- a) the value of such a transaction or a series of transactions during the year does not exceed PLN 500,000; or
  - b) the transaction relates solely to the subscription of shares or bonds issued by the Company.
5. Individual transactions shall be submitted to the Supervisory Board for approval in accordance with clause 3 above by the Company's Management Board, in accordance with the best knowledge of the Management Board concerning the circumstances of the proposed transaction, subject to the utmost due diligence appropriate to the professional nature of the activities of the Management Board.
6. For the purposes of this Article, affiliates of PROKOM Investments S.A. shall also include its parent companies, its subsidiaries and entities controlled by the same entity as PROKOM Investments S.A. In addition, affiliates of PROKOM Investments S.A. shall include persons managing or supervising PROKOM Investments S.A. or its affiliates as well as other entities in which those persons perform managing or supervisory functions. Moreover, affiliates of PROKOM Investments S.A. shall include entities intermediating in transactions of which any of the entities referred to in sentence 1 or 2 above is a direct or indirect beneficiary."

(E) Current wording of § 19 of the Company's Articles of Association:

- "1. The General Meeting may be ordinary or extraordinary.
2. Ordinary General Meeting shall be held no later than six months after the end of each financial year.
3. An Ordinary General Meeting shall be convened by the Management Board or the Supervisory Board, if the Management Board does not convene it within the time limit

*referred to in clause 2 above. An Extraordinary General Meeting shall be convened by the Management Board on its own initiative or at a request of shareholders representing at least 1/20 (one-twentieth) of the share capital. The Extraordinary General Meeting shall be convened within two weeks of the submission of a request together with a draft agenda and proposed resolutions. The Extraordinary General Meeting may be also convened by the Supervisory Board if it deems it advisable and by shareholders representing at least half of the share capital or at least half of the total votes in the Company."*

Proposed wording of § 19 of the Company's Articles of Association:

- "1. The General Meeting may be ordinary or extraordinary.*
- 2. Ordinary General Meeting shall be held no later than six months after the end of each financial year.*
- 3. An Ordinary General Meeting shall be convened by the Management Board or the Supervisory Board, if the Management Board does not convene it within the time limit referred to in clause 2 above. An Extraordinary General Meeting shall be convened by the Management Board on its own initiative or at a request of shareholders representing at least 1/20 (one-twentieth) of the share capital. The Extraordinary General Meeting shall be convened within two weeks of the submission of a request together with a draft agenda and proposed resolutions. The Extraordinary General Meeting may be also convened by the Supervisory Board if it deems it advisable and by shareholders representing at least half of the share capital or at least half of the total votes in the Company.*
- 4. General Meetings shall be held in the Company's registered office or in Warsaw."*

(F) Current wording of § 22 of the Company's Articles of Association:

- "1. The powers of the General Meeting shall include:*
  - 1) examining and approving Management Board Reports on the Company's business operations and financial statements,*
  - 2) distribution of profits and coverage of losses as well as allocation to supplementary capital and reserve capital,*
  - 3) granting a vote of approval to members of the Supervisory Board and Management Board confirming the discharge of their duties,*
  - 4) appointing and dismissing members of the Supervisory Board,*
  - 5) increasing or decreasing the share capital,*
  - 6) amending the Company's Articles of Association,*
  - 7) dissolving and winding up the Company,*
  - 8) examining and making decisions on proposals submitted by the Supervisory Board,*
  - 9) adopting the Rules of Procedure of the General Meeting,*
  - 10) other matters provided for in the Code of Commercial Partnerships and Companies.*
- 2. No resolution of the General Meeting shall be required for a purchase and sale by the Company of real properties, perpetual usufruct or a share in a real property."*

Proposed wording of § 22 of the Company's Articles of Association:

- "1. The powers of the General Meeting shall include:*
  - 1) examining and approving Management Board Reports on the Company's business operations and financial statements,*
  - 2) distribution of profits and coverage of losses as well as allocation to supplementary capital and reserve capital,*

- 3) *granting a vote of approval to members of the Supervisory Board and Management Board confirming the discharge of their duties,*
  - 4) *appointing and dismissing members of the Supervisory Board,*
  - 5) *increasing or decreasing the share capital,*
  - 6) *amending the Company's Articles of Association,*
  - 7) *dissolving and winding up the Company,*
  - 8) *examining and making decisions on proposals submitted by the Supervisory Board,*
  - 9) *adopting the Rules of Procedure of the General Meeting,*
  - 10) *other matters provided for in the Code of Commercial Partnerships and Companies.*
2. *No resolution of the General Meeting shall be required for a purchase and sale by the Company of real properties, perpetual usufruct or a share in a real property."*

### **Information for shareholders**

#### ***Right to attend the EGM***

The Company's Management Board informs that, pursuant to Articles 406<sup>1</sup> and 406<sup>3</sup> of the CCCP, only persons being the Company's shareholders sixteen days prior to the date of the EGM, i.e. on **November 17<sup>th</sup> 2013** (date of registration of attendance at the EGM (the "**Registration Date**")) shall have a right to attend the EGM, provided that:

- (i) holders of dematerialised shares present to the entity maintaining their securities account a request to issue a personal certificate on entitlement to attend the EGM in the period from the notice convening the General Meeting to the first business day after the Registration Date, i.e. by **November 18<sup>th</sup> 2013**;
- (ii) holders of bearer shares in the form of a document submit the share documents in the Company's registered office in Gdynia, ul. Śląska 35/37, not later than on the Registration Date, i.e. by **November 17<sup>th</sup> 2013** and do not collect them prior to the end of the Registration Date.

A list of shareholders entitled to attend the EGM will be prepared, in compliance with Article 406<sup>3</sup> § 6 of the CCCP, on the basis of the list made available by the entity maintaining the depository for securities (Krajowy Depozyt Papierów Wartościowych S.A.) and on the basis of shares submitted in the Company's registered office, and next, will be made available in the Company's registered office at ul. Śląska 35/37 in Gdynia, between 9.00 a.m. and 4.00 p.m. for 3 business days before the EGM, i.e. **from November 28<sup>th</sup> 2013 to December 2<sup>nd</sup> 2013**. The Company's shareholder may require that a list of shareholders be sent to him/her free of charge by e-mail, providing the address to which the list should be sent. A shareholder may submit the above mentioned request by e-mail to [walne.zgromadzenie@polnord.pl](mailto:walne.zgromadzenie@polnord.pl).

#### ***Selected rights of shareholders related to the EGM***

A shareholder or shareholders representing at least one-twentieth of the Company's share capital are entitled to:

- (i) require that certain issues be added to the agenda of the EGM; save that such a request should be made to the Company's Management Board not later than twenty-one days

- prior to the date of the EGM, i.e. by **November 12<sup>th</sup> 2013**; a request should contain justification or a draft of the resolution related to the proposed point of the agenda; a request may be made by e-mail to [walne.zgromadzenie@polnord.pl](mailto:walne.zgromadzenie@polnord.pl);
- (ii) submit to the Company, prior to the date of the EGM in writing or by e-mail to [walne.zgromadzenie@polnord.pl](mailto:walne.zgromadzenie@polnord.pl), drafts of resolutions related to issues on the agenda of the EGM or issues which should be added to the agenda.

During the EGM each of the Company's shareholders may propose drafts of resolutions related to issues on the agenda

***Manner of participation in the EGM and exercise of voting rights***

Shareholders being natural persons may attend the EGM and exercise the voting right in person or through a proxy. A shareholder other than a natural person may attend the EGM and exercise a voting right through a person authorised to make declarations of will on its behalf or through a proxy. A power of attorney should be prepared in writing or granted electronically. A power of attorney granted electronically does not require a secure electronic signature verified with the use of a valid, qualified certificate. The Company should be notified of granting the power of attorney electronically by e-mail to [walne.zgromadzenie@polnord.pl](mailto:walne.zgromadzenie@polnord.pl).

To identify the shareholder granting a power of attorney, the notification of granting a power of attorney electronically should include (as an attachment):

- (i) in the event of a shareholder being a natural person, a copy of the identity card, passport or another official identify document of the shareholder, or
- (ii) in the event of a shareholder other than a natural person, a copy of the extract from a relevant register or another document confirming the authorisation of the natural person (natural persons) to represent the shareholder at the EGM (e.g. uninterrupted chain of powers of attorney).

In the event of doubts about authenticity of the copies of the above-mentioned documents, the Company's Management Board reserves its right to require that the proxy present the following at the time of preparation of the attendance list:

- (i) in the event of a shareholder being a natural persons, a copy, certified for compliance with the original by a notary public or another entity authorised to certify compliance with the original, of an identity card, passport or another official identity document of the shareholder, or
- (ii) in the event of a shareholder other than a natural person, the original or a copy certified for compliance with the original by a notary public or another entity authorised to certify compliance with the original, of the extract from a relevant register or another document confirming the authorisation of the natural person (natural persons) to represent the shareholder at the EGM (e.g. uninterrupted chain of powers of attorney).

To identify the proxy, the Company's Management Board reserves its right to require that the proxy present the following at the time of preparation of the attendance list:



- (i) in the event of a proxy being a natural person, the identity card, passport or another official identify document of the proxy, or
- (ii) in the event of a proxy other than a natural person, the original or a copy certified for compliance with the original by a notary public or another entity authorised to certify compliance with the original, of the extract from a relevant register or another document confirming the authorisation of the natural person (natural persons) to represent the proxy at the EGM (e.g. uninterrupted chain of powers of attorney) and the identity card, passport or another official identity document of the natural person (natural persons) authorised to represent the proxy at the EGM.

The forms set out in Article 402<sup>3</sup> § 1 point 5 of the CCCP, allowing to exercise a voting right through the proxy, are made available at the Company's website at [www.polnord.pl](http://www.polnord.pl). The Company does not impose an obligation to grant powers of attorney on the above-mentioned form.

At the same time, the Company's Management Board informs that in the event that a shareholder grants a power of attorney with instructions for voting, the Company will not verify whether the proxies exercise the voting right in compliance with the instructions received from shareholders. In view of the above, the Company's Management Board informs that the instructions for voting should be provided only to the proxy.

The Company's Articles of Association do not provide for a possibility of attending the EGM, making a speech during the EGM or exercising the voting right with the use of means of electronic communication.

The Company does not predict a possibility of exercising the voting right by mail.

#### ***Materials regarding the General Meeting***

A person authorised to attend the EGM may obtain the full text of the documentation to be presented to the EGM, including drafts of resolutions or, if no resolutions are to be adopted, remarks of the Company's Management Board or Supervisory Board related to issues on the agenda of the EGM or the issues which are to be added to the agenda prior to the date of the EGM on the Company's website [www.polnord.pl](http://www.polnord.pl) and in the Company's registered office: ul. Śląska 35/37, 81-310 Gdynia between 9.00 a.m. and 4.00 p.m. on business days until the date of the EGM.

#### ***Registration of attendance at the EGM***

Persons authorised to attend the EGM are asked to register and collect a voting paper directly before the meeting room 30 minutes before the beginning of the EGM.

#### ***Other information***

Information related to the EGM will be made available on the Company's website at [www.polnord.pl](http://www.polnord.pl).

At the same time, the Company's Management Board informs that to matters not covered by this notice the provisions of the Code of Commercial Companies and Partnerships and the Company's Articles of Association are applicable, in view of which the Company's shareholders are asked to get familiar with the above regulations.