

# STATUTE OF "GANT DEVELOPMENT" Joint-stock Company consolidated text

including amendments performed on 31.07.2010

## I. GENERAL DECISIONS.

### § 1

The appearers declare that they establish as the founders a Joint-stock Company further referred to as „the Company” in the wording of the statute included in this act.

### § 2

Company's enterprise is „**GANT DEVELOPMENT**" Joint-stock Company.

### § 3

Company's principal office is in Legnica

### § 4

Duration of Company's existence shall be indefinite.

### § 5

The Company operates within the territory of the Polish Republic and abroad in accordance with the binding regulations. The Company may create and liquidate its own departments, branches, enterprises and agencies, enter into other partnerships and participate in other business organizations around the country and abroad, as well as create and conduct research and developmental facilities, production, trade and service plants observing the legal rules.

## II. THE SUBJECT OF COMPANY'S UNDERTAKING.

### § 6

1. The subject of Company's activity is:-----
  - 1) Construction works connected with building raising,-----
  - 2) Activity connected with servicing real estate market,-----
  - 3) Other forms of granting credits,-----

- 4) Other financial service activity, unclassified elsewhere, excluding insurances and retirement funds, -----
- 5) Other recreational and entertainment activity, -----
- 6) Other service activity in the range of reservations, unclassified elsewhere, -----
- 7) Hotels and similar accommodation objects, -----
- 8) Legal activity, -----
- 9) Bookkeeping and accounting activity; tax consultancy, ---
- 10) Other consultancy in the range of conducting business activity and management, -----
- 11) Activity of financial holdings, -----
- 12) Activity of head offices and holdings, excluding financial holdings. -----

2. A change of the subject of Company's activity is executed without purchase of shares if the resolution of the Partner Meeting has been passed with majority of two thirds of votes in the presence of people representing at least half of the initial capital.

### **III. THE INITIAL CAPITAL**

#### **§ 7**

The initial capital of the Company equals 20.499.953 (in words: twenty million four hundred ninety nine thousand nine hundred fifty three) zloty and is divided into:

- 600.000 (in words: six hundred thousand) A-series shares of a nominal value 1,00 (in words: one) zloty each,
- 15.517.900 (in words: fifteen million five hundred seventeen thousand nine hundred) B-series shares, of a nominal value 1,00 (in words: one) zloty each,
- 3.223.580 (in words: three million two hundred twenty three thousand five hundred eighty) N-series shares of a nominal value 1,00 (in words: one) zloty each,
- 1.158.473 (in words: one million one hundred fifty eight thousand four hundred seventy three) R-series shares of a nominal value 1,00 (in words: one) zloty each.

The A-series shares are nominal and privileged. The B, N and R-series shares are common shares to bearer. For each A-series share fall 5 votes at the General Meeting of Company's Shareholders.

## **§ 7a**

The initial capital of the Company is conditionally increased up to 2.518.520,00 (in words: two million five hundred eighteen thousand five hundred twenty) zloty on the way of emitting no more than 2.518.520,00 (in words: two million five hundred eighteen thousand five hundred twenty) common shares to bearer, including:

- no more than 259.260 (in words: two hundred fifty nine thousand two hundred sixty) O1-series common shares to bearer of a nominal value 1,00 (in words: one) zloty each, which shall be taken up on the conditions determined in the resolution no 22 of the Ordinary General Meeting of Shareholders of 26<sup>th</sup> April 2010, by holders of A-series subscription warrants emitted on the basis of the resolution no 24 of the Ordinary General Meeting of Shareholders of 26<sup>th</sup> April 2010.
- no more than 259.260 (in words: two hundred fifty nine thousand two hundred sixty) O2-series common shares to bearer of a nominal value 1,00 (in words: one) zloty each, which shall be taken up on the conditions determined in the resolution no 23 of the Ordinary General Meeting of Shareholders of 26<sup>th</sup> April 2010, by holders of B-series subscription warrants emitted on the basis of the resolution no 25 of the Ordinary General Meeting of Shareholders of 26<sup>th</sup> April 2010.
- no more than 2.000.000,00 zloty (in words: two million zloty) through emission of up to 2.000.000,00 (two million) S-series common shares to bearer of a nominal value 1,00 (in words: one) which shall be taken up on the conditions determined in the resolution no 7 of the Extraordinary General Meeting of Shareholders of 31<sup>st</sup> July 2010, by holders of ZA-series convertible bonds emitted on the basis of the resolution no 7 of the Extraordinary General Meeting of Shareholders of 31<sup>st</sup> July 2010.

## **§ 8**

Each Partner may possess any amount of shares.

## **§ 9**

1. The A-series shares are nominal and shall be labeled with Company's seal and Management's signature, which can be mechanically regenerated.
2. The Company may also issue and emit shares to bearer.
2. Shareholders are entitled to participate in the annual profit intended by the General Meeting to be divided:
  - proportionally to their possessed shares.

3. The profit is being divided in relation to the nominal value of shares.
4. Exchange of nominal shares into shares to bearer requires the agreement of the Supervisory Board.

### **§ 10**

1. Shareholders – the holders of nominal shares reserve the preemption right to nominal shares sold by other shareholders.
3. A shareholder may sell nominal shares of the company to a third party provided that other Shareholders do not exercise their preemption right within 14 days from the date of Shareholder's notification upon intention of selling.
4. Shares to bearer shall be sold without limitations.

### **§ 11**

1. Company's shares may be remitted. Remission of shares takes place on the way of its purchase by the Company ( Voluntary remission).

### **§ 11a**

The Company may emit bonds, particularly bonds allowing for taking up shares emitted by the Company in exchange for this bonds (convertible bonds) and senior bonds.

## **IV. COMPANY'S AUTHORITIES .**

Development S.A.

### **§ 12**

Company's authorities are:

- a. the Management,
- b. the Supervisory Board,
- c. the General Meeting.

### **§ 13**

1. The Management is made up of 3 to 6 members of the Management appointed by the Supervisory Board. In the Company, there can be 1 President of the Management and 1 to 2 Vice-presidents of the Management appointed from among the Management members.
2. The Company is represented by the President of the Management or the Vice-president individually, by two members of the Management jointly, or by a member of the Management together with a proxy.

3. The Members of the Management are appointed and withdrawn with majority of 3/5 votes.
4. A cadence of Management Members is common and lasts 5 years.

#### **§ 14**

1. The Management represents the Company in front of authorities and third parties, in and outside the court, administrates its property and cases also in the range exceeding regular management, manages business activity of the Company.
2. The Management is entitled to submit declarations in the range of financial rights and duties of the Company and to append signatures.
3. In the range of conducting Company's cases the following rules of independent acting of Management members are applicable:
  - a. The President of the Management is entitled to independent conduction of Company's cases in the range of taking decisions regarding financial rights and duties of the Company that do not exceed the value of 10.000.000 (ten million)zloty.
  - b. The Vice-resident of the Management is entitled to independent conduction of Company's cases in the range of taking decisions regarding financial rights and duties of the Company that do not exceed the value of 5.000.000 (five million) zloty.
  - c. each member of the Management is entitled to independent conduction of Company's cases in the range of taking decisions regarding financial rights and duties of the Company that do not exceed the value of 1.000.000 (one million) zloty.
4. The President of the Management is entitled to participate in debates of the Supervisory Board with a consultative voice.
5. Competences of the Management include all cases non-reserved for the General Meeting and the Supervisory Board.
6. The Management is entitled to take independent decisions regarding Company's purchase or sales of shares in other companies, properties, the right to perpetual usufruct, and participation in a property or in the right to perpetual usufruct of the value up to 10 million Euro.

#### **§ 15**

1. The Supervisory Board – is made up of 5 to 7 people. A cadence for all members of the Supervisory Board is common and lasts 3 years.

2. Members of the Supervisory Board elect a chairman and his deputy from among their group. The election is executed with absolute majority of votes of the members present at Board's meeting.
3. Resolutions of the Board are considered valid if all members have been invited and at least 4 of them are present. Resolutions are being passed with absolute majority of votes, unless the act or the statute states otherwise. It is allowed to vote and pass resolutions in written mode or through means of direct remote communication.
4. The Board gathers once a quarter, or more frequently if needed, on invitation of the chairman of the Board or on request of the Management.
5. Members of the Supervisory Board exercise their rights and duties personally, and are obliged to keep professional secrecy.
6. The Supervisory Board performs permanent supervision over all sectors of Company's activity.
7. Members of the Supervisory Board obtain remuneration in the sums established by the General Meeting. Members of the Board are entitled to returns of costs connected with performance of duties.
8. On Management's application, the Supervisory Board takes decisions regarding expressing the agreement on Company's purchase or sales of shares in other companies, properties, the right to perpetual usufruct, and participation in a property or in the right to perpetual usufruct of the value exceeding 10 million Euro.
9. It is allowed to appoint the same people for subsequent cadences.
10. Members of the Supervisory Board will be appointed by the General Meeting of Shareholders, observing the following rules:
  - a) candidacies have to be put forward in writing no later than 7 days (7) prior to the General Meeting. Apart from personal data of a candidate, an announcement of candidacy has to contain reasons together with description of qualifications and professional experiences. An announcement shall be supplemented with a written agreement of a person interested in contesting a seat in the Supervisory Board,
  - b) in case the candidacies are not put forward in the mode determined above, the responsibility for appointing candidates belongs to the Management or the Supervisory Board.
11. The Supervisory Board chooses an expert auditor to prepare financial report of the Company and the capital group.

12. The Supervisory Board agrees on emission of bonds, excluding convertible and senior bonds.
13. The Supervisory Board establishes its Rules.

## **§16**

1. General Meetings are ordinary and extraordinary. The Ordinary General Meeting is convened by the Management and shall be held by 30th June each calendar year. If the Management will fail to convene the Ordinary General Meeting punctually, the right of its convocation belongs to the Supervisory Board. The Extraordinary General Meeting is convened on Management's own initiative or on request of the Supervisory Board or on request of shareholders representing at least 1/20 of the initial capital. Shareholders representing at least half of the initial capital are allowed to convene the Extraordinary General Meeting.
2. The General Meeting may be held in Legnica or in Wrocław.
3. The General Meeting is valid regardless of the amount of shares represented during the debate, except from cases, in which the rules of the Commercial Companies Code require for Meeting's validity a determined amount of shares represented during the debate.
4. Shareholders may participate in the General Meeting personally or through attorneys.
5. A share to bearer gives right to a single vote at the General Meeting, whilst a nominal share gives right to five votes at the General Meeting.
6. Resolutions of the General Meeting are being passed with absolute majority of votes, unless the rules of the Commercial Companies Code anticipate severer conditions.
7. Resolutions of the General Meeting bind also the shareholders non-present at the Meeting.
8. The following issues require resolutions of the General Meeting:
  - considering and validating a report, account and profits and losses for the previous year,
  - taking resolution upon division of profit or covering losses,
  - granting discharge to members of company's bodies of authority, from performance of their duties,
  - increasing and decreasing the initial capital,
  - appointing or withdrawing members of the Supervisory Board,

- change of the statute,
- merging companies,
- dissolution and liquidation of the company,
- emission of convertible and senior bonds ,
- settlement of all cases regarding claims for redressing damages that occurred during establishing of the Company or during performance of Management or supervision,
- change of the subject of the enterprise,
- and other, envisaged in the Commercial Companies Code or passed by the Management and the Supervisory Board.

9. The rules of the General Meeting of Shareholders shall be published on Company's website.

## **V. COMPANY'S ACCOUNTANCY.**

### **§17**

1. The Company conducts accountancy in accordance with the rules applicable in this range.
2. A financial year shall cover a calendar year.
3. 8 percent from a net profit is annually deducted until a sum equaling 1/3 of the initial capital is collected. Independently, there can be created: a reserve fund and other, in accordance with the binding rules of law.
4. An annual account shall be prepared by the Management within first three months after expiration of the financial year. The account shall be validated by the General Meeting.
5. The date of establishing a dividend right and the date of dividend's payment is determined by the resolution of the General Meeting.

## **VI. FINAL DECISIONS.**

### **§ 18**

Dissolution of the Company takes place after conduction of its liquidation. Liquidation shall be conducted under Company's enterprise with addition: „liquidation in progress“  
Liquidators are the members of the Management.

### **§ 19**

The Company may be dissolved through:

- resolution of the General Meeting upon dissolution of the Company,
- Company's bankruptcy announcement,

- other reasons envisaged by the law

**§ 20**

In cases non-regulated by this statute, the rules of the Commercial Companies Code are effective.

**§ 21**

All costs, charges and expenditures connected with establishing and registration of the Company shall be borne by the Company.

