

Resolutions passed during Ordinary Meeting of Shareholders

North Coast S.A. publishes below text of resolutions passed at a General Meeting of Shareholders held on June 30th 2014.

RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on
electing the Chairman of the General Meeting

The Company's General Meeting adopts, as follows:

§ 1

The Chairman of the General Meeting shall be

.....

§ 2

The resolution shall be effective as of day of its adoption.

RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on
agenda approval

The Company's General Meeting adopts, as follows:

§ 1

The following agenda shall be adopted:

1. Opening of the Meeting;
2. Electing the Chairman of the Meeting;
3. Determining whether or not the Meeting has been duly convened and is capable of adopting resolutions;

4. Approving the agenda;
5. Presenting the Management Board's report on the operation of the Company, the Management Board's report on the operation of North Coast Capital Group for year 2013, the financial statement for the financial year 2013 and the consolidated financial statement of North Coast Capital Group for year 2013;
6. Presenting the Supervisory Board's report on the results of the evaluation of the Management Board's report on the operation of the Company and the financial statement for the financial year 2013 as well as presenting and considering the Management Board's motion regarding the allocation of profit for the financial year 2013;
7. Considering and approving the Management Board's report on the operation of the Company;
8. Considering and approving the financial statement for the financial year 2013;
9. Considering and approving the Management Board's report on the operation of North Coast Capital Group for year 2013;
10. Considering and approving the consolidated financial statement of North Coast Capital Group for year 2013;
11. Adopting the resolution on the distribution of profit for the financial year 2013;
12. Adopting resolutions on the granting of discharge from the fulfilment of duties to the members of the Company's Management Board in connection with their performance of obligations in the financial year 2013;
13. Adopting resolutions on the granting of discharge from the fulfilment of duties the members of the Company's Supervisory Board in connection with their performance of obligations in the financial year 2013;
14. Adoption of a resolution on the reverse stock split of shares of the Company;
15. Closing the session of the Meeting.

§ 2

The resolution shall be effective as of day of its adoption.

**RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014**

on

approval of the Management Board's report on Company's operations in year 2013

Acting under Art. 393 point 1 and Art. 395 of the Code of Commercial Companies and Partnerships

and under § 10 section 2 point (i) of the Articles of Association it shall be adopted, as follows:

§ 1

Upon consideration, the Management Board's Report on the Company's operation within the period from 1st January 2013 to 31st December 2013 shall be approved.

§ 2

The resolution shall be effective as of day of its adoption.

RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on
approval of the Company's financial statement for the financial year 2013

Acting under Art. 393 point 1 and Art. 395 of the Code of Commercial Companies and Partnerships and under § 10 section 2 point (i) of the Articles of Association it shall be adopted, as follows:

§ 1

Upon consideration, the Company's financial statement for the financial year 2013 shall be approved and consists of:

- 1) Introduction to the financial statement.
- 2) Company's balance sheet drawn up for 31.12.2013 which on the side of assets and liabilities indicates the amount of PLN 81,936,107.78.
- 3) Profit and loss account for the period from 01.01.2013 to 31.12.2013 closing with a net profit in the amount of PLN 364,697.49.
- 4) Statement of changes in equity within the period from 01.01.2013 to 31.12.2013, indicating an increase in equity by the amount of PLN 364,697.49.
- 5) Cash flow statement, indicating a decrease in the net balance of cash within the period from 01.01.2013 to 31.12.2013 in the amount of PLN 237,809.33.
- 6) Additional information and explanations.

§ 2

The resolution shall be effective as of day of its adoption.

RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on
approval of the Management Board's report on the operations of the North Coast
Capital Group for 2013

Acting under Art. 395 § 5 of the Code of Commercial Companies and Partnerships it shall be adopted, as follows:

§ 1

Upon consideration, the Management Board's Report on the operations of the Capital Group North Coast within the period from 1st January 2013 to 31st December 2013 shall be approved.

§ 2

The resolution shall be effective as of day of its adoption.

RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on
approval of the consolidated financial statement of the North Coast
Capital Group for the financial year 2013

Acting under Art. 395 § 5 of the Code of Commercial Companies and Partnerships it shall be adopted, as follows:

§ 1

Upon consideration, the Company's financial statement for the financial year 2013 shall be approved and consists of:

- 1) Introduction to the consolidated financial statement.
- 2) Consolidated statement on financial situation drawn up for 31.12.2013 which on the side of

assets and liabilities indicates the amount of PLN 119,183,000.

- 3) The consolidated financial statement of the total income for the period from 01.01.2013 to 31.12.2013 showing the net loss attributable to shareholders of the dominant entity in the amount of PLN 2,559,000.
- 4) Consolidated statement on changes in equity within the period from 01.01.2013 to 31.12.2013, indicating the increase in equity by PLN 5,208,000.
- 5) Consolidated statement on cash flow statement, indicating the increase in net balance of cash within the period from 01.01.2013 to 31.12.2013 in the amount of PLN 184,000.
- 6) Additional information and explanations.

§ 2

The resolution shall be effective as of day of its adoption.

**RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on distribution of the profit for the year 2013**

Acting under Art. 395 § 2 point 2 of the Code of Commercial Companies and Partnerships and under § 10 section 2 point (v) of the Articles of Association it shall be adopted, as follows:

§ 1

The General Meeting has decided to allocate the Company's net profit for the financial year from 1 January 2013 to 31 December 2013 in the amount of 364,697.48 PLN (three hundred sixty-four thousand six hundred ninety-seven 48/100 PLN) for increase of reserve capital.

§ 2

The resolution shall be effective as of day of its adoption.

**RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on granting the discharge to the Member of the Management Board of**

NORTH COAST S.A. for the year 2013

Acting under Art. 395 § 2 point 3 and § 3 of the Code of Commercial Companies and Partnerships and under § 10 section 2 point (i) of the Articles of Association it shall be adopted, as follows:

§ 1

The acknowledgement shall be granted the discharge from the fulfilment of duties to the President of the Management Board, Silvano Fiocco, within the period of 1st January 2013 to 31st December 2013.

§ 2

The resolution shall be effective as of day of its adoption.

RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on granting the discharge to the Member of the Management Board of
NORTH COAST S.A. for the year 2013

Acting under Art. 395 § 2 point 3 and § 3 of the Code of Commercial Companies and Partnerships and under § 10 section 2 point (i) of the Articles of Association it shall be adopted, as follows:

§ 1

The discharge from the fulfilment of duties shall be granted to the Vice-President of the Management Board, Giorgio Pezzolato, within the period of 1st January 2013 to 31st December 2013.

§ 2

The resolution shall be effective as of day of its adoption.

RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on granting the discharge to the Member of the Supervisory Board of
NORTH COAST S.A. for the year 2013

Acting under Art. 395 § 2 point 3 and § 3 of the Code of Commercial Companies and Partnerships and under § 10 section 2 point (i) of the Articles of Association it shall be adopted, as follows:

§ 1

The discharge from the fulfilment of duties shall be granted to the President of the Supervisory Board, Jan Czaja, within the period of 1st January 2013 to 31st December 2013.

§ 2

The resolution shall be effective as of day of its adoption.

RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on granting the discharge to the Member of the Supervisory Board of
NORTH COAST S.A. for the year 2013

Acting under Art. 395 § 2 point 3 and § 3 of the Code of Commercial Companies and Partnerships and under § 10 section 2 point (i) of the Articles of Association it shall be adopted, as follows:

§ 1

The discharge from the fulfilment of duties shall be granted to the Vice-President of the Supervisory Board, Vincenzo Colalillo, within the period of 1st January 2013 to 31st December 2013.

§ 2

The resolution shall be effective as of day of its adoption.

RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on granting the discharge to the Member of the Supervisory Board of
NORTH COAST S.A. for the year 2013

Acting under Art. 395 § 2 point 2 of the Code of Commercial Companies and Partnerships and under § 10 section 2 point (i) of the Articles of Association it shall be adopted, as follows:

§ 1

The discharge from the fulfilment of duties shall be granted to the Member of the Supervisory Board, Agnieszka Federowicz-Gałczyńska, within the period of 1st January 2013 to 31st December 2013.

§ 2

The resolution shall be effective as of day of its adoption.

RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on granting the discharge to the Member of the Supervisory Board of
NORTH COAST S.A. for the year 2013

Acting under Art. 395 § 2 point 3 and § 3 of the Code of Commercial Companies and Partnerships and under § 10 section 2 point (i) of the Articles of Association it shall be adopted, as follows:

§ 1

The discharge from the fulfilment of duties shall be granted to the Member of the Supervisory Board, Robert Skłodowski, within the period of 1st January 2013 to 31st December 2013.

§ 2

The resolution shall be effective as of day of its adoption.

RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on granting the discharge to the Member of the Supervisory Board of
NORTH COAST S.A. for the year 2013

Acting under Art. 395 § 2 point 3 and § 3 of the Code of Commercial Companies and Partnerships and under § 10 section 2 point (i) of the Articles of Association it shall be adopted, as follows:

§ 1

The discharge from the fulfilment of duties shall be granted to the Member of the Supervisory Board, Ewa Sygitowicz, within the period of 1st January 2013 to 31st December 2013.

§ 2

The resolution shall be effective as of day of its adoption.

RESOLUTION NO. .../2014
of the Ordinary General Assembly of
NORTH COAST S.A.
of 30th June 2014
on the reverse stock split of shares of the company.

The Ordinary General Meeting resolves as follows:

§ 1

The increase of the nominal value

1. The nominal value of the Company's shares is increased from the amount 0.02 zł (two groszy) to the amount of 0.2 zł (twenty groszy).
2. The total number of shares issued by the Company decreases from 32,000,000 (say: thirty two million) shares with a nominal value of 0.02 zł to 3,200,000 (say: three million two hundred

thousand) shares with a nominal value of 0.2 zł by merging all 10 (say: ten) shares with a nominal value of 0.02 zł into one share of the new nominal value of 0.2 zł.

3. The number of shares of each series decreases proportionally, so that:
 - a) 10,000,000 (say: ten million) registered preference shares of series A with a previous nominal value of 0.02 zł (say: two groszy) per share with numbers from 00000001 to 10000000 is reduced to 1,000,000 (say: one million) registered preference shares of series A of the new nominal value of 0.2 zł, each share numbered from 00000001 to 1000000 by merging all 10 (say: ten) of preferred registered shares of series A with previous nominal value of 0.02 zł into one registered preference share of series A with the new nominal value of 0.2 zł . The method of preference of shares of series A remains unchanged;
 - b) 15.000.000 (say: fifteen million) registered shares of series B with a previous nominal value of 0.02 zł (say: two groszy) per share with numbers from 00000001 to 15000000 is reduced to 1.500.000 (say: one million five hundred thousand) registered shares of series B of the new nominal value of 0.2 zł, each share numbered from 00000001 to 1500000 by merging all 10 (say: ten) of registered shares of series B with previous nominal value of 0.02 zł into one registered share of series B with the new nominal value of 0.2 zł;
 - c) 7.000.000 (say: seven million) registered shares of series C with a previous nominal value of 0.02 zł (say: two groszy) per share with numbers from 00000001 to 7000000 is reduced to 700,000 (say: seven hundred thousand) registered shares of series C with the new nominal value of 0.2 zł, each share numbered from 00000001 to 700000 by merging all 10 (say: ten) of registered shares of series C with previous nominal value of 0.02 zł into one registered share of series C with the new nominal value of 0.2 zł;
4. Number of shares with the new nominal value of 0.2 zł held by individual shareholders, in connection with the reverse stock split of shares and reduction of their amount shall be determined in accordance with the reverse split ratio amounting to 10:1 (ten to one) by the number of shares with a nominal value 0,02 zł on the Reference Date, which shall be determined by the Board of Management.
5. Following the reverse stock split of shares the amount of the share capital of the Company does not change and it amounts to 640,000 zł (say: six hundred and forty thousand).

§ 2

Fractional shares from reverse stock split

1. In the event that in the course of the reverse stock split of shares it came to establishing of so called fractional shares, i.e. such number of shares with a previous nominal value of 0.02 zł , held by the shareholder, which according to the accepted exchange ratio of 10:1 does not

translate into one whole share of the new nominal value of 0.2 zł, the reverse stock split will be carried out in such a way, that in exchange for shares representing fractional shares, the shareholders who own them will receive free of charge one share of the new nominal value.

2. Fractional shares will be supplemented at the cost of right to shares owned by [_____] on the basis of an agreement on compensation of fractional shares dated [_____] concluded between the Company and [_____], under which the [_____] waives its right to shares of the Company for the benefit of shareholders holding fractional shares to the extent necessary to enable the holders of fractional shares receiving one share of the new nominal value of 0.2 zł , with the proviso that the number of shares to supplement fractional shares ("reverse split shortages ") shall not exceed [_____] shares with a nominal value of 0.02 zł . If it turns out that the settlement of all fractional shares requires more shares with a nominal value of 0.02 zł, than the limit provided for in the preceding sentence or Fractional Shares arising from the registered preference shares, then the reverse stock split of shares does not take place unless an annex to the agreement increasing the limit of the shares has been concluded.
3. Fractional shares will be supplemented at the cost of the right to shares owned by [_____], subject to:
 - a) the adoption by the General Assembly of a resolution on the reverse stock split of shares of the Company by increasing their nominal value of 0.02 zł to 0.2 zł without changing the share capital;
 - b) registration by the court of registration in the register of entrepreneurs of the National Court Register of the amendment of the articles of association consisting in the reduction in the total number of shares to 3,200,000 shares and a corresponding reduction in the number of shares of each series in accordance with the exchange ratio of 10:1.
4. The shareholders of the Company are called to adjust the number of shares of the Company within the Reference Date (which will be announced in the form of a current report) in such a way that the reverse stock split did not result in fractional shares. To this end, the shareholders are asked that the number of shares of the Company held by them at the Reference Date was a multiple of ten. This will minimize the risk of not coming into effect the reverse stock split of shares of the Company due to the need to issue new shares with a nominal value of 0.2 zł in exchange for a fractional shares in number higher than the limit set forth in the second section of this paragraph.

§ 3

Authorisation of the Board of Management

1. The Board of Management is authorized to:
 - a) set the Reference Date on the basis of the state, set to be the number of shares with a previous nominal value of 0.02 zł held by the individual shareholders, which will be subject to a reverse stock split of shares of the new nominal value of 0.2 zł, and its change;
 - b) set the Day of Exchange when on the securities accounts of the shareholders, the shares of the new nominal value of 0.2 zł as the result of the reverse stock split of shares with a nominal value of 0.02 zł, and its changes shall be entered;
 - c) register the reverse stock split of shares in the National Depository for Securities S.A. with its registered office in Warsaw;
 - d) submit an application to the Stock Exchange in Warsaw SA with its registered office in Warsaw for the suspension of trading in shares of the Company in order to carry out the process of reverse stock split of shares.
 - e) all actions necessary to implement this resolution.
2. If the event that the reverse stock split of shares does not take place, the Board of Management after the removal of the obstacles which prevented the reverse stock split of shares, may again carry out the procedure before the National Depository for Securities S.A. with its registered office in Warsaw and the Warsaw Stock Exchange in Warsaw S.A. with its registered office in Warsaw, on the basis of this resolution, setting a new Reference Date and Date of Exchange.

§ 4

Amendment of the article of association of the Company

1. The articles of association are changed in such a way that § 6 section 2 is replaced by the following:

„Company’s share capital is divided into 3,200,000 (say: three million two hundred thousand) shares, including:

 - (i) 1,000,000 (say: one million) registered preference shares of series A with a nominal value of 0.2 zł (say: twenty groszy) each share numbered from 00000001 to 1000000; and
 - (ii) 1,500,000 (say: one million five hundred thousand) shares na okaziciela of series B with a nominal value of 0.2 zł; and
 - (iii) 700,000 (say: seven hundred thousand) bearer shares of series C with a nominal value of 0.2 zł”
2. The consolidated text of the articles of association is accepted, the content of which is annexed to this resolution.

§ 5

The Resolution shall enter into force on the date of its adoption.

An Annex to the Resolution - The consolidated text of the articles of association of the Company:

**ARTICLES OF ASSOCIATION OF JOINT STOCK COMPANY
AND GENERAL PROVISIONS**

§ 1 Company

The Company acts under the Company name „NORTH COAST” SPÓŁKA AKCYJNA The Company may use the abbreviated name „NORTH COAST” S.A. and use its distinguishing graphical mark as the logo.

§ 2 Business Profile

1. The business profile of the Company encompasses the following

- (1) Wholesale and retail sale of vehicles, excluding motorcycles (PKD 45.1);
- (2) Wholesale and retail sale of motorcycles; repair and maintenance as well as wholesale and retail sale of parts and accessories for motorcycles (PKD 45.4);
- (3) Wholesale of food, beverages and tobacco (PKD 46.3);
- (4) Wholesale of household goods (PKD 46.4);
- (5) Wholesale of information and communication equipment (PKD 46.5);
- (6) Wholesale of other machinery, equipment and supplies (PKD 46.6);
- (7) Other specialised wholesale (PKD 46.7);
- (8) Non-specialised wholesale trade (PKD 46.9);
- (9) Retail sale in non-specialized stores (PKD 47.1);
- (10) Retail sale of food, beverages and tobacco in specialized stores (PKD 47.2);
- (11) Retail sale of other household equipment in specialised stores (PKD 47.5);
- (12) Retail sale of other goods in specialised stores (PKD 47.7);
- (13) Freight transport by road and removal services (PKD 49.4);
- (14) Restaurants and mobile food service activities (PKD 56.1);
- (15) Event catering and other food service activities (PKD 56.2);
- (16) Beverage serving activities (PKD 56.3);
- (17) Accounting, bookkeeping and auditing activities; tax consultancy (PKD 69.2);
- (18) Renting and leasing of other machinery, equipment and tangible goods (PKD 77.3).

2. Any activity for which a permit or license is required shall be conducted by the Company after

the relevant permit or license is obtained.

§ 3 Duration time of the Company

Duration time of the Company is infinite.

§ 4 Head office of the Company

The head office of the Company is located in Pruszków.

§ 5 The area of Company operation

1. The Company may operate within the territory of the Republic of Poland and outside the Republic of Poland
2. In its area of operations, the Company may establish the branches and other entities as well as companies, purchase the shares and bonds in other companies home and abroad.

II. SHARE CAPITAL

§ 6 Share Capital and shares

1. The share capital of the Company amounts 640.000 PLN (say: six hundred forty thousand).
2. Company's share capital is divided into 3,200,000 (say: three million two hundred thousand) shares, including:
 - (i) 1,000,000 (say: one million) registered preference shares of series A with a nominal value of 0.2 zł (say: twenty groszy) each share numbered from 00000001 to 1000000; and
 - (ii) 1,500,000 (say: one million five hundred thousand) shares na okaziciela of series B with a nominal value of 0.2 zł; and
 - (iii) 700,000 (say: seven hundred thousand) bearer shares of series C with a nominal value of 0.2 zł.
3. The share capital has been covered with the property of the company being transformed i.e. NORTH COAST with limited liability pursuant to the Article 551 § 1 included in the Code of Commercial Companies.
4. Registered shares are preference shares with respect to voting. Each Series A registered share confers the rights to two votes at the General Shareholders Meeting
5. The shares of the Company may be redeemed as a result of shares purchase by the Company upon a Shareholder's consent. The conditions and procedure of shares redemption is determined the General Shareholders Meeting
6. The bonds including the replacement bond, bonds with priority right and subscription warrants may be also issued by the Company.
7. The bearer shares are not converted into registered shares. Any decisions concerning the conversion of registered shares into bearer shares is made by the Company Management on the request of the shareholder.
8. In case of any disposal and pledging of the shares series A, the consent of the Company must be

issued by the Management in writing.

9. The pledger or user of registered shares are not entitled to exercise any voting rights in course of the General Meeting.

10. Within the period up to 31st January 2007, the Shareholder being in the possession of the shares series A may dispose all shares issued in this series being in His/ Her possession to a single purchaser exclusively. Remaining shareholders being in possession of the shares series A are entitled to dispose the shares series A under priority right. The declaration on the use of priority right to purchase is submitted to the shareholder intending to dispose the shares series A within one (1) month after receipt of the notification on intended disposal of shares including indication of the purchaser and price for shares.

§ 7 Discretion of profit of the Company

1. The shareholders are entitled to sharing in profit specified in the financial report examined by the auditor, which has been determined by the General Meeting as the payment to the shareholders
2. The profit is subdivided in relation to the number of shares owned.
3. The shareholders entitled to the possession of shares on the date of the adoption of resolution concerning the profit sharing are entitled to participate in dividend. The General Meeting may determine the day used as the date of establishing the list of shareholders entitled to participate in dividend for a business year (dividend day). The dividend day should not fixed later than within two (2) months since the day of adoption of the resolution concerning the appropriation of the profit to paid out to shareholders.

III. BODIES OF THE COMPANY

§ 8

The governing bodies of the Company are: General Shareholders Meeting, Supervisory Board and Management.

§ 9 General Shareholders Meeting

1. General Shareholders Meeting may be convened as Ordinary or Extraordinary General Shareholders Meeting.
2. General Shareholders Meeting will be held in the head office of the Company or in Warsaw
3. The General Shareholders Meeting is convened by the announcement.
4. The Ordinary General Shareholders Meeting is held within six (6) months after the end of the business year.
5. The principles of functioning of the General Shareholders Meeting are determined in the rules of procedure adopted by the General Shareholders Meeting.

§ 10 Resolutions of General Shareholders Meeting

1. The resolutions of the General Meeting are adopted by an absolute majority of votes, unless provided otherwise in the regulations included in the Code of Commercial Companies or in the articles of association.
2. The resolution of the General Meeting is necessary for the issues specified below:
 - (i) analysis and approval of the report of the Management on the Company activity as well as financial report on last business year and acknowledgement of fulfilment of duties to the members of the Company bodies.
 - (ii) making the decision concerning the issues associated with compensation of damage occurred at the establishing of the Company or in connection with the activity run by the Management
 - (iii) disposal and leasing of the enterprise or its organized part and granting a limited right of property thereon
 - (iv) creating the capitals in the Company and making the decision concerning their allocation
 - (v) adopting the resolution concerning the profit appropriation and loss coverage;
 - (vi) approval of long term strategic plans of the Company
 - (vii) increase and reduction of the capital stock of the Company
 - (viii) establishing of the conditions and procedure for the redemption of shares
 - (ix) determination of the remuneration for the members of Supervisory Board
 - (x) dissolution or liquidation of the Company
 - (xi) assignment and dismissal of members of the Board of Supervisory Board, with the reservation of [§ 11 section 3 and 4] of articles of association
 - (xii) assignment and dismissal of members of the Management
 - (xiii) change of articles of association of the Company
 - (xiv) approval of the By-laws of the Supervisory Board;
 - (xv) making the decision concerning other issues which are included in the scope of exclusive competence of the General Meeting pursuant to the regulations included in the Code of Commercial Companies as well as under other legal rules and the provisions of the present articles of association
 - (xvi) issue of replacement bonds, bonds with priorities rights, subscription variants
3. Any consent of the General Meeting is not required in case of the purchase and disposal of the real estates, perpetual usufruct or share in the real estate.

§ 11 Supervisory Board

1. The Supervisory Board consist of five (5) up to seven (seven) members assigned and dismissed by the General Meeting, with the reservation of the Section 3 and 4 included below:
2. The members of Supervisory Board are assigned for the period of three (3) years of independent term of office
3. As long as Mr. Giorgio Pezzolato or His inheritors will be the shareholders of the Company being

in possession of 50% of registered shares series A, they are entitled to assign and to dismiss one (1) member of Supervisory Board.

4. As long as Mr. Silvano Fiocco or His inheritors will be the shareholders of the Company being in possession of 50% of registered shares series A, they are entitled to assign and to dismiss one (1) member of Supervisory Board

5. The members of the Management may be assigned to the next terms of office

§ 12 Adoption of Resolutions by the Supervisory Board

1. The decisions are made by the Supervisory Board in the form of resolution adopted in course of the meetings convened by the Chairman of Supervisory Board or by the Deputy Chairman of Supervisory Board, unless the meeting can be convened by the Chairman of Supervisory Board. The meetings of the Supervisory Board shall be convened by the Chairman of Supervisory Board at his own initiative or upon a written request of the Management or a member of the Supervisory Board within two weeks. The request referred to in the preceding sentence should be submitted in writing including a proposed agenda. If the Chairman of the Supervisory Board is absent or otherwise unable to act as specified in these By-Laws, his functions may be exercised by the Deputy Chairman

2. The meetings of the Supervisory Board may be attended by the Members of the Management excluding the meetings concerning the Members of the Management, particularly in case of their dismissal, responsibility and determining of their remuneration.

3. The meetings of the Supervisory Board shall be convened when necessary, however at least once every quarter.

4. The resolutions of the Supervisory Board can be adopted in the presence of at least half of its members at the meeting, provided that all members of Supervisory Board have been invited at least 7 working days before intended meeting. The resolutions of the Supervisory Board are also valid if the member of Supervisory Board notified within the period shorter than that referred to in the preceding sentence will declare His / Her consent to the adoption of the resolution by the Supervisory Board in writing.

5. The members of Supervisory Board may participate in the adoption of the resolutions by the Supervisory Board by casting their votes in writing through another member of the Supervisory Board.

6. The Supervisory Board may adopt its resolutions out of the meeting by means of writing procedure or using direct telecommunication equipment, provided that all members have been informed about the content of the resolution draft. The voting method referred to in the preceding sentence can be ordered by the Chairman of Supervisory Board at his own initiative or upon a request of the Management or a member of the Supervisory Board.

7. The adoption of resolutions using the procedure referred to in the paragraphs 5 and 6 is not applicable in case of the election of the Chairman and Deputy Chairman of the Supervisory Board or suspension of the members of Management in their service activities.

8. The Resolutions are adopted by the Supervisory Board adopted by an absolute majority of votes. In case of an equal number of votes, the vote of the Chairman of Supervisory Board is a casting vote.

§ 13 Competences of Supervisory Board

1. The Supervisory Board exercises permanent supervision over the activity of the Company.

2. Particular competences of the Supervisory Board encompass the following :

(i) evaluation of financial reports of the Company and the reports of the Management as well as the proposals of the Management concerning appreciation of profit or covering of loss and the submission of annual report on the results of such evaluation to the General Meeting in writing;

(ii) representation of the Company in contracts and disputes with the members of the Management.

(iii) suspension of individual members of the Management in their service activities due to important reasons and delegation of the members of the Supervisory Board to temporary

performance of the activities of members of the Management unable to perform their activities

(iv) approval of the By-laws for the Management

(v) giving consent for the advance payment on the account of anticipated dividend to the shareholders of the Company

(vi) assignment and change of auditors examining the financial reports of the Company;

3. The Supervisory Board adopts the Regulations determining its organizations and procedures which is subject to approval by the General Meeting

§ 14 The Company Management

1. The Management consists of 1 up to 3 members assigned by the resolution adopted by the General Meeting for the period of five (5) years of independent term of office, including the President and Vice – President of Management

2. The members of the Management may be assigned to the next terms of office

3. The President of Management and Vice – President of Management are entitled to represent the Company individually or two Members of the Management jointly, a Proxy with a Member of the Management jointly or two Proxies acting jointly. .

4. Detailed principles of the Management operation will be determined in the By-laws for the Management to be adopted by the Management and approved by Supervisory Board.

§ 15

The Management is authorized for the advance payment on the account of anticipated dividend to the shareholders of the Company, with the reservation of § 13 Section 2 Item (v) of the Articles of Association

IV. FINAL PROVISIONS

§ 16 Reserve fund and other capitals

1. 8% (eight percent) of the profit of any given business year is contributed to reserve fund until the reserve funds equal at least one third of the Company's share capital.
2. Other capitals can be created by the General Meeting.

§ 17 Business year of the Company

Calendar year is the business year of the Company.

§ 18 Announcements

Any lawfully required announcements originating from the Company are published in Court and Economic Monitor.

§ 19 Dissolution of the Company

1. The Company can be dissolved at any time by the resolution adopted by the General Meeting and as a result of other lawfully stipulated reasons
 2. The Dissolution of the Company takes place after the completion of the liquidation process. The latter is carried out under the name of the Company with the addition "in liquidation". The members of the Management perform the role of the liquidator unless another liquidator is assigned by the General Meeting.
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