

**ARTICLES OF COMPANY**  
**FABRYKI MEBLI "FORTE" SPÓŁKA AKCYJNA**  
**["FORTE" FURNITURE FACTORIES, JOINT STOCK COMPANY]**

**§ 1**

**Company name and head office**

- 1.1. The name of the Company is: FABRYKI MEBLI "FORTE" SPÓŁKA AKCYJNA.
- 1.2. The Company may use the abbreviated name: FABRYKI MEBLI "FORTE" S.A.
- 1.3. The head office of the Company is located in Ostrów Mazowiecka.
- 1.4. The Company was established by way of transformation of FABRYKI MEBLI "FORTE", a limited liability company with the head office in Ostrów Mazowiecka into a Joint Stock Company.
- 1.5. The Company has Branches in Suwałki, Białystok and Hajnówka.

**§ 2**

**The duration of the Company**

The duration of the Company is unlimited.

**§ 3**

**The objects of the Company**

The objects of the Company include:

1. Manufacture of office and store furniture (31.01.Z);
2. Manufacture of kitchen furniture (31.02.Z);
3. Manufacture of other furniture (31.09.Z);

4. Manufacture of mattresses (31.03.Z);
5. Production of sawmill goods (16.10.Z);
6. Production of veneer sheets, boards and plywood (16.21.Z);
7. Manufacture of assembled parquet floors (16.22.Z);
8. Production of joinery and carpentry goods for construction purposes (16.23.Z);
9. Production of wooden containers (16.24.Z);
10. Production of other wooden goods; Production of cork, straw and material used for weaving (16.29.Z);
11. Manufacture of leather clothing (14.11.Z);
12. Manufacture of work clothes (14.12.Z);
13. Manufacture of other over clothes (14.13.Z);
14. Manufacture of underwear (14.14.Z);
15. Manufacture of other clothes and trimmings (14.19.Z);
16. Manufacture of other goods otherwise not classified (32.99.Z);
17. Manufacture of electrical household equipment (27.51.Z);
18. Manufacture of non-electrical household equipment (27.52.Z);
19. Production and distribution of steam, hot water and air for air-conditioning systems -residential buildings (35.30.Z);
20. Construction of residential and non-residential buildings (41.20.Z);
21. Construction of roof structures and roofing (43.91.Z);
22. Installation of construction woodwork (43.32.Z);
23. Agents involved in the sale of timber and building materials (46.13.Z);
24. Agents involved in the sale of furniture, household equipment and metalware (46.15.Z);
25. Agents specialised in the sale of other particular products (46.18.Z);
26. Agents involved in the sale of a variety of goods (46.19.Z);

27. Wholesale of electrical household equipment (46.43.Z);
28. Wholesale of furniture, carpets and lighting equipment (46.47.Z);
29. Wholesale of other household goods (46.49.Z);
30. Wholesale of office furniture (46.65.Z);
31. Wholesale of other office machinery and equipment (46.66.Z);
32. Non-specialised wholesale trade (46.90.Z);
33. Wholesale of wood, construction materials and sanitary equipment (46.73.Z);
34. Other retail in non-specialized outlets (47.19.Z);
35. Retail sale of furniture, lighting equipment and other household articles in specialised stores (47.59.Z);
36. Retail sale of electrical household appliances in specialised stores (47.54.Z);
37. Retail sale of hardware, paints and glass in specialised stores (47.52.Z);
38. Other retail sale of new goods in specialised stores (47.78.Z);
39. Retail sale via mail order houses or via Internet (47.91.Z);
40. Freight transport by road (49.41.Z);
41. Cargo handling in other terminal facilities (52.24.C);
42. Warehousing and storage of other goods (52.10.B);
43. Renting and operating of own or leased real estate (68.20.Z);
44. Renting and leasing of other motor vehicles excluding motorcycles (77.12.Z);
45. Renting and leasing of office machinery and equipment excluding computers (77.33.Z);
46. Other research and experimental development on natural sciences and engineering (72.19.Z);
47. Market research and public opinion polling (73.20.Z);

- 48. Activities of financial services holding companies (64.20.Z);
- 49. Activities of head offices and holdings excluding financial services holdings (70.10.Z);
- 50. Architectural activities (71.11.Z);
- 51. Engineering activities and related technical consultancy (71.12.Z);
- 52. Other technical testing and analysis (71.20.B);
- 53. Activities of advertising agencies (73.11.Z);
- 54. Media representation: sale of advertising time and space in radio and TV (73.12.A);
- 55. Media representation: sale of advertising space in print media (73.12.B);
- 56. Media representation: sale of advertising time and space in electronic media (Internet) (73.12.C);
- 57. Media representation: sale of advertising time and space in other media (73.12.D);
- 58. Activities of employment placement agencies (78.10.Z);
- 59. Temporary employment agency activities (78.20.Z);
- 60. Other activities related to human resources provision (78.30.Z);
- 61. Activities related to organisation of fairs, trade shows and conventions (82.30.Z);
- 62. Other out-of-school forms of education, not elsewhere classified (85.59.B);
- 63. Other business support service activities not elsewhere classified (82.99.Z).

#### **§ 4**

#### **Company share capital and shares**

4.1. The Company share capital shall be:

PLN 23,930,769 (twenty-three million nine hundred thirty thousand seven hundred sixty-nine) and is divided into: 8,793,992 (eight million seven hundred ninety-three thousand nine hundred ninety-two) series A bearer shares of nominal value of PLN 1 (one) each; 2,456,380 (two million four hundred fifty-six thousand three hundred eighty) series B bearer shares of nominal value of PLN 1 (one) each; 6,058,000 (six million fifty-eight thousand) series C ordinary bearer shares of nominal value of PLN 1 (one) each; 2,047,619 (two million forty-seven thousand six hundred nineteen) series D ordinary bearer shares of nominal value of PLN 1 (one) each; 4,327,093 (four million three hundred twenty-seven thousand ninety-three) series E ordinary bearer of nominal value of PLN 1 (one) each; 68,000 (sixty-eight thousand) series F ordinary bearer shares of nominal value of PLN 1 (one) each; 150,000 (one hundred fifty thousand) series G ordinary bearer shares of nominal value of PLN 1 (one) each; 29,685 (twenty-nine thousand six hundred eighty-five) series H ordinary bearer shares of nominal value of PLN 1 (one) each.

4.2. A-series registered shares have been obtained as a result of the transformation of a limited liability company into a joint stock company, referred to in § 1 item 1.4 of these Articles of Company, in the process of which all the Partners with shares corresponding to all their stocks joined the Company.

4.3. The Company has the right to issue registered and bearer shares.

The conversion of registered shares to bearer shares and vice versa requires an approval of the Supervisory Board.

4.4. The shares are transferable subject to legal limitations concerning transferability of shares issued in return for contribution in kind.

4.5. The shares are redeemable.

The method and conditions of redemption are each time specified by the General Meeting.

The Company may issue utility shares in return for redeemed shares, on the basis of conditions determined by the General Meeting.

4.6. The Company may issue bonds, including convertible bonds.

## **§ 5**

### **Governing bodies of the Company**

5.1. Management Board.

5.1.1. The Management Board consists of one to seven members, appointed for mutual term of office. The Supervisory Board defines via resolution a number of Management Board, elects the Chairman of the Management Board and the remaining members, among whom it may appoint the Vice-Chairman of the Management Board. Term of office of the first Management Board lasts one year. Terms of office for subsequent Management Boards shall last 5 years.

5.1.1' The President of the Management Board shall control the work of the Management Board, and in particular:

- a) he shall call meetings of the Management Board,
- b) he shall determine the agenda of the meetings.

5.1.2. Resolutions of the Management Board are adopted by an ordinary majority of the votes cast.

In case of an equal number of votes, the President shall have the casting vote. A vote for or against a resolution shall be deemed a vote cast.

5.1.3. The Management Board shall adopt Rules and Regulations for its proceedings.

5.1.4. The following persons are authorised to make representations and assume obligations:

- a/ the President of the Management Board, on his own,

b/ one of the members of the Management Board together with a Procurator,

c/ two members of the Management Board.

5.1.5. The Management Board is obliged to manage the Company's business according to the provisions of the relevant laws, the Articles of Company, resolutions of the General Meeting and resolutions of the Supervisory Board passed within its powers.

5.1.6. All the actions outside the regular authority of the Management Board are subject to the approval of the Supervisory Board, unless the provisions of the law or the Articles of Company stipulate that the decision should be taken exclusively by the General Meeting.

Such an approval is specifically required for the following actions:

a/ purchase and sale of real estate, perpetual usufruct or a share in a real estate, sale and transfer of usufructuary right to real estate, encumbering of property, establishing limited property rights regarding the Company's assets,

b/ taking up loans in excess of the financial plan of the Company,

c/ providing guarantees for an amount exceeding in total the equivalent of EUR 150,000,

d/ assuming third party's liabilities,

e/ accepting and establishing liens and other instruments of security, except for liens and instruments of security connected with ordinary business activities in the amount not exceeding in total the equivalent of EUR 150,000,

f/ entering into, terminating and amending lease agreements and other similar agreements if they cover a period longer than three years and if their annual rental fee paid by the Company exceeds the equivalent of EUR 150,000,

g/ leasing out the Company or its part,

h/ purchase and sale of plants and branches of the Company,

i/ sale of the Company or its part,

j/ permitting employees to share in profits and granting them special retirement and disability pension rights,

k/ developing annual plans /in particular: investment and financial plans/ as well as strategic plans,

l/ extending loans, except for regular trade, for a total amount exceeding the equivalent of EUR 50,000.

5.1.6' The Management Board defines the Corporate strategy and presents it to the Supervisory Board for approval.

5.1.7. All the agreements between members of the Management Board and the Company are concluded by the Chairman of the Supervisory Board on behalf of the Company.

Terms and conditions of such agreements are determined by the Supervisory Board.

## 5.2. Supervisory Board

5.2.1. The Supervisory Board shall consist of five to seven members. At least two Members of the Supervisory Board shall meet the independence requirements as set out in the Act of 11 May 2017 on Statutory Auditors and their Self-government, Entities Authorised to Audit Financial Statements and Public Supervision. The General Meeting shall determine the number of Members of the Supervisory Board. Members of the Supervisory Board shall be appointed for a joint four-year term of office. The mandates of Members of the Supervisory Board shall expire no later than on the date of the General Meeting approving the Company's financial statements for the last full financial year of the term of office of the Supervisory Board. The Chairperson of the Supervisory Board shall be elected by the General Meeting from among its previously elected members.

5.2.2. Rights and obligations of the Supervisory Board are specified by the provisions of the law and the Articles of Company. The Supervisory



Board in particular supervises the total business of the Company and reviews all books, letters and property documents accordingly, in order to verify them. The Supervisory Board may require reports, from the Management Board, concerning any activity of the Company, its legal and trade relationships with enterprises and natural persons it cooperates with, as well as concerning business activities of these enterprises and persons. Apart from that, the Supervisory Board selects an auditor to audit financial statements of the Company.

- 5.2.3. The date of the first meeting of a newly elected Supervisory Board is determined by the General Meeting or the Management Board, should this be provided by the resolution of the General Meeting. Members of the newly elected Supervisory Board are notified about the date of the first meeting by the Management Board. At the first meeting, members of the Supervisory Board appoint from among themselves a Deputy Chairman and a Secretary, if needed.
- 5.2.4. Meetings of the Supervisory Board shall be held as needed, not less frequently, however, than three times in a financial year. Members of the Management Board shall be invited to meetings of the Supervisory Board. The meetings shall be convened by the Chairman in writing or by electronic mail to the addresses indicated by the Members of the Supervisory Board in 7 (seven) days before the scheduled date of the meeting. In urgent cases, the Chairman may shorten the time or convene a meeting orally, by phone or by electronic mail. The notification of a meeting should include the meeting location, the time it starts, the agenda and proposed resolutions.
- 5.2.4'. Members of the Supervisory Board shall be obliged to provide their valid address for correspondence (postal and electronic addresses, and possibly a fax number) to the Chairman of the Supervisory Board and the Management Board, ensuring that confirmation of receipt of a notification of a meeting or other documents can be obtained from the addressee.

5.2.5. The Supervisory Board has the power to adopt resolutions, if all its members have been invited and at least half of the members attend the meeting. Resolutions are passed by ordinary majority of the votes cast. A vote for or against a resolution shall be deemed a vote cast. In the case of an equal number of votes, the Chairman shall have the casting vote.

5.2.6. Members of the Supervisory Board may participate in passing resolutions by voting in writing through another member of the Supervisory Board. Voting in writing may not relate to issues introduced to the agenda during the meeting of the Supervisory Board. A vote cast in writing should include the contents of the resolution.

The Supervisory Board may also adopt resolutions in writing or by means of distance communication. A resolution is valid when all the Supervisory Board members have been notified about the contents of the draft resolution.

Adopting resolutions in the manners referred to above does not apply in case of election of the Deputy Chairman, appointment of a member of the Management Board, or dismissal or suspension of such persons from their duties.

5.2.7. The Chairman of the Supervisory Board is authorised to make representations on behalf of the Supervisory Board.

5.2.8. The Supervisory Board acts pursuant to the provisions of the law, the Articles of Company, resolutions of the General Meeting, as well as Rules and Regulations adopted by the General Meeting.

5.2.9. Members of the Supervisory Board shall receive remuneration for their duties. The remuneration of the Supervisory Board members shall be determined by the General Meeting. Apart from the remuneration, members of the Supervisory Board may receive bonuses in the form of a percentage of profits, pursuant to the resolution of the General Meeting.

- 5.2.10. In the event of decreasing of the composition of the Supervisory Board below the minimum number specified in the Commercial Companies Code, the General Meeting shall complete /elect/ the composition of the Supervisory Board for the remaining part of the term of office.
- 5.2.11. The Supervisory Board shall establish internal committees consisting of members of the Supervisory Board, in particular an audit committee (“Audit Committee”). The composition, manner of appointment, tasks, scope of activity and procedures of work of internal committees shall be specified in the regulations of a given committee adopted by the Supervisory Board. A majority of members of the Audit Committee, including its chairperson, shall meet the independence requirements as set out in the Act of 11 May 2017 on Statutory Auditors and their Self-government, Entities Authorised to Audit Financial Statements and Public Supervision. At least one member of the Audit Committee should have knowledge and skills in accounting or financial statements, and at least one member of the Audit Committee should have knowledge and skills in the industry in which the Company operates or individual members of the Audit Committee in certain areas should have knowledge and skills in this industry.

### 5.3. General Meeting.

- 5.3.1. An Ordinary General Meeting is convened not later than within six months after the end of each financial year.
- 5.3.2. Each share gives a right to one vote at the General Meeting.
- 5.3.3. The General Meeting adopts the rules of its proceedings.
- 5.3.4. The General Meetings take place on the premises of the head office of the Company or in Warsaw.
- 5.3.5. Resolutions of the General Meeting are adopted by an ordinary majority of the votes cast, unless the provisions of the law or the Articles of Company provide otherwise.

A vote for or against a resolution shall be deemed a vote cast.

- 5.3.6. In case the General Meeting adopts resolutions concerning a change of the objects of the Company with the majority of two thirds of the votes cast in the presence of persons representing at least half of the share capital, redemption of shares is not required.
- 5.3.7. An approval of the General Meeting is not required for purchase and sale of real estate, perpetual usufruct or a share in a real estate.

## **§ 6**

### **Company accounting**

- 6.1. The Company's financial statement and the Management's annual business report for the previous financial year should be prepared by dates specified in the relevant provisions of the law.
- 6.2. The financial year is the calendar year. The first accounting year ends on December 31, 1994.
- 6.3. The Company has established the following types of capital:
- a) share capital,
  - b) reserve capital.
- 6.3.1. Pursuant to the resolutions of the General Meeting, the Company may establish supplementary capital and special purpose funds.
- 6.4. A part of the reserve capital in the amount equivalent to one-third of the share capital may be allocated only for the purpose of covering balance sheet losses.
- 6.5. Pursuant to the resolutions of the General Meeting, reserve capital may be used for the purpose of, in particular:
- a/ increase of the share capital,
  - b/ dividends for shareholders.
- 6.6. Pursuant to the resolutions of the General Meeting, the Company's net profit, after legally required write-offs, may be applied towards:
- a/ dividends for shareholders,

b/ establishing or strengthening the capital and funds of the Company, including increase of the share capital,

c/ remuneration of the Management Board or the Supervisory Board,

d/ other purposes.

6.7. The dates for the payment of dividends shall be determined by the General Meeting.

## **§ 7**

### **Final provisions**

All matters not regulated by these Articles of Company shall be subject to the provisions of the Commercial Companies Code and other specific acts.