



**Hitherto wording of joint stock company ARCTIC PAPER SPÓŁKA  
AKCYJNA Articles of Association together with approved  
amendments - attachment no. 2 to current report 21/2016 dated  
14 September 2016**

**1. Hitherto wording of section 11:**

*11.1 The Management Board manages the Company's affairs and represents the Company.*

*11.2 If the Company's Management Board consists of more than one person, statements can be made on behalf of the Company by the President of the Management Board acting independently, or by two members of the Management Board acting jointly, or by one member of the Management Board acting jointly with an authorized representative (Po: prokurent).*

**Approved wording of section 11 :**

*11.1 The Management Board is authorized to adopt any and all actions, which are not reserved for other corporate bodies of the Company. The Management Board shall manage the business and affairs of the Company with due diligence, required in the economic relations, observe the applicable laws and provisions of this Articles of Association as well as the resolutions adopted by the General Meeting and the Supervisory Board, to the extent of their authorities.*

*11.2 The Management Board manages the Company's affairs and represents the Company.*

*11.3 If the Company's Management Board consists of more than one person, statements can be made on behalf of the Company by the President of the Management Board acting independently, or by two members of the Management Board acting jointly, or by one member of the Management Board acting jointly with an authorized representative (Polish: prokurent).*

**2. Hitherto wording of section 12:**

*12.1 The Supervisory Board consists of five to seven members appointed by the General Meeting for a joint term of office.*

*12.2 The members of the Supervisory Board are elected to remain in office for three years. The members of the Supervisory Board may be appointed for successive terms.*



## ARCTIC PAPER

12.3 A member of the Supervisory Board may be recalled at any time.

12.4 From the time when the General Meeting adopted the resolutions constituting the basis to conduct a first public issuance of shares and to introduce the Company's shares to trading on stock exchange, two members of the Supervisory Board should be independent. Independence of members of the Supervisory Board shall be judged based on the criteria set out in Enclosure II to the Recommendation of the European Commission dated February 15, 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, wherein the independent member must not be an employee of the Company, or any of its subsidiaries or affiliates, or enter into any actual and significant relationships with any shareholder of the Company eligible to execute 5% or more of the total number of votes represented by all shares.

12.5 In case an independent member of the Supervisory Board has been appointed, resolutions regarding the following matters may not be adopted without consent of at least one independent member of the Supervisory Board:

- a) any benefit given under any title by the Company or any entity associated with the Company, to a member of the Management Board;
- b) consent for the Company or any of its subsidiaries to enter into a significant agreement with an entity associated with the Company, member of its Supervisory Board or Management Board, or any entity associated with these entities, other than contracts entered into as part of the Company's normal business, on the ordinary terms and conditions used by the Company;
- c) appointment of an auditor to audit the Company's financial statement.

12.6 Any persons who fail to satisfy the independence criterion referred to in Article 12.4 above may be elected as a member of the Supervisory Board and the number of such persons may be greater than stipulated in Article 12.4, if the number of elected persons meeting the independence criterion is smaller than stipulated in Article 12.4 above and vacancies exist on the Supervisory Board.

12.7 For the avoidance of doubt it is assumed that the loss of independence of a member of the Supervisory Board and the lack of appointment of an independent member of the Supervisory Board does not invalidate decisions made by the Supervisory Board. If an independent member of the Supervisory Board ceases to be independent during his or her period in office, his mandate shall not become invalidated or expired.



**Approved wording of section 12:**

12.1 *The Supervisory Board consists of five to seven members appointed by the General Meeting for a joint term of office.*

12.2 *The members of the Supervisory Board are elected to remain in office for three years. The members of the Supervisory Board may be appointed for successive terms.*

12.3 *A member of the Supervisory Board may be recalled at any time.*

12.4 *From the time when the General Meeting adopted the resolutions constituting the basis to conduct a first public issuance of shares and to introduce the Company's shares to trading on stock exchange, two members of the Supervisory Board should be independent. Independence of members of the Supervisory Board shall be judged based on the criteria set out in Enclosure II to the Recommendation of the European Commission dated February 15, 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, wherein the independent member must not be an employee of the Company, or any of its subsidiaries or affiliates, or enter into any actual and significant relationships with any shareholder of the Company eligible to execute 5% or more of the total number of votes represented by all shares.*

12.5 *In case an independent member of the Supervisory Board has been appointed, resolutions regarding the following matters may not be adopted without consent of at least one independent member of the Supervisory Board:*

*a) any benefit given under any title by the Company or any entity associated with the Company, to a member of the Management Board;*

*b) consent for the Company or any of its subsidiaries to enter into a significant agreement with an entity associated with the Company, member of its Supervisory Board or Management Board, or any entity associated with these entities, other than contracts entered into as part of the Company's normal business, on the ordinary terms and conditions used by the Company;*

*c) appointment of an auditor to audit the Company's financial statement.*

12.6 *Any persons who fail to satisfy the independence criterion referred to in Article 12.4 above may be elected as a member of the Supervisory Board and the number of such persons may be greater than stipulated in Article 12.4, if the number of elected persons meeting the independence criterion is smaller than stipulated in Article*



12.4 above and vacancies exist on the Supervisory Board.

12.7 For the avoidance of doubt it is assumed that the loss of independence of a member of the Supervisory Board and the lack of appointment of an independent member of the Supervisory Board does not invalidate decisions made by the Supervisory Board. If an independent member of the Supervisory Board ceases to be independent during his or her period in office, his mandate shall not become invalidated or expired.

12.8 In case a mandate of a member of the Supervisory Board expires before the end of his or her term of office, the remaining members of the Supervisory Board shall be entitled to co-opt a new member of the Supervisory Board in lieu of the member whose mandate has expired by means of a resolution adopted by an absolute majority of votes of all of such remaining members. The mandate of a member of the Supervisory Board appointed as a result of the co-option shall expire if the first Ordinary General Meeting held after the co-option does not approve his or her appointment. Only two members of the Supervisory Board appointed as a result of co-option, whose appointment has not been approved by the Ordinary General Meeting, may hold their positions at given time. If the mandate of the member of the Supervisory Board appointed in co-option procedure expires as a result of the lack of Ordinary General Meeting's approval, no resolution of the Supervisory Board adopted in the course of his or her term of office shall be deemed invalid or ineffective due to the fact that his or her mandate has not been approved.

### **3. Hitherto wording of section 13.3:**

13.3 Resolutions of the Supervisory Board cannot be adopted, unless all members of the Supervisory Board have been notified about the meeting by registered mail, telefax or email, sent at least 15 days in advance of the meeting, and the majority of members of the Supervisory Board are present at the meeting. Resolutions can be adopted without formal summon, if all members of the Supervisory Board agree to vote with regard to a particular matter or accept the contents of a resolution, which is to be adopted.

### **Approved wording of section 13.3 :**

13.3 Resolutions of the Supervisory Board cannot be adopted, unless all members of the Supervisory Board have been notified about the



*meeting by registered mail or e-mail, sent at least 15 days in advance of the meeting, and the majority of the members of the Supervisory Board are present at the meeting. Due to significant reasons the President of the Supervisory Board may shorten such period to 5 days. Resolutions can be adopted without formal summon, if all members of the Supervisory Board agree to vote with regard to a particular matter or accept the contents of the resolution.*

**4. Hitherto wording of section 14 :**

*14.1 The Supervisory Board adopts its resolutions by simple majority of votes cast. If the numbers of votes for and against are equal, the Chairman of the Supervisory Board has the decisive vote.*

*14.2 The Supervisory Board may adopt a resolution using written procedure, if all members of the Supervisory Board have been notified about the contents of the draft resolution, subject to article 388 § 4 of the Commercial Companies Code.*

*14.3 The Supervisory Board may adopt resolutions using means allowing all members to communicate directly over distance, if all members of the Supervisory Board have been notified about the contents of the draft resolution, subject to article 388 § 4 of the Commercial Companies Code.*

*14.4 Members of the Supervisory Board may participate in adopting resolutions by the Supervisory Board by casting votes in writing through another member of the Supervisory Board. Written votes cannot be cast in voting concerning a matter put on the agenda at the meeting of the Supervisory Board.*

*14.5 The detailed rules of operation of the Supervisory Board are set out in the By-laws of the Supervisory Board, adopted by the General Meeting.*

**Approved wording of section 14 :**

*14.1 The Supervisory Board adopts its resolutions by simple majority of votes cast. If the numbers of votes for and against are equal, the Chairman of the Supervisory Board has the decisive vote.*

*14.2 The Supervisory Board may adopt a resolution using written*





## ARCTIC PAPER

*procedure, if all members of the Supervisory Board have been notified about the contents of the draft resolution, subject to article 388 § 4 of the Commercial Companies Code.*

*14.3 The Supervisory Board may adopt resolutions using means allowing all members to communicate directly over distance, if all members of the Supervisory Board have been notified about the contents of the draft resolution, subject to article 388 § 4 of the Commercial Companies Code.*

*14.4 Members of the Supervisory Board may participate in adopting resolutions by the Supervisory Board by casting votes in writing through another member of the Supervisory Board. Written votes cannot be cast in voting concerning a matter put on the agenda at the meeting of the Supervisory Board.*

*14.5 The agenda of the Supervisory Board meeting shall not be changed during the relevant meeting, unless*

- a) all Members of the Supervisory Board are present and none of them opposed to change or amend the agenda;*
- b) adoption of certain actions by the Supervisory Board is necessary in order to protect the Company against damage; or*
- c) a resolution on the evaluation of a possible conflict of interests between the Supervisory Board and the Company needs to be adopted.*

*14.6 The detailed rules of operation of the Supervisory Board are set out in the bylaws of the Supervisory Board.*

### **5. Hitherto wording of section 15 :**

*15.1 The Supervisory Board supervises the Company's activities, reviews its accounts and accounting ledgers at any time, and performs assessments of the Company's financial situation.*

*15.2 The duties of the Supervisory Board include, in particular:*

- a) to evaluate the Company's financial statements;*
- b) to evaluate the Management Board's statements of the Company's activities and the Management Board's requests regarding distribution of profits and coverage of losses;*
- c) to submit to the General Meeting annual written statements of the results of the above assessments;*
- d) to appoint and recall the Members of the Management Board,*



*including its President, and to determine the remuneration of the Members of the Management Board;*

*e) to appoint an auditor for the Company; and*

*f) to give its consent for the Management Board to pre-payment against the dividend expected as at the end of the financial year.*

*15.3 Members of the Supervisory Board perform their duties in person.*

**Approved wording of section 15 :**

*15.1 The Supervisory Board supervises the Company's activities, reviews its accounts and accounting ledgers at any time, and performs assessments of the Company's financial situation.*

*15.2 The duties of the Supervisory Board include, in particular:*

*a) evaluation the Company's financial statements;*

*b) evaluation of the Management Board's statements on the Company's activities and the Management Board's requests regarding distribution of profits and coverage of losses;*

*c) submission to the General Meeting annual written statements on the results of the assessments above;*

*d) appointment and dismissal of the Members of the Management Board, including its President, and the determination of the remuneration of the Members of the Management Board;*

*e) appointment of an auditor for the Company;*

*f) suspension of the members of the Management Board in performance of their functions due to significant reasons;*

*g) delegation of the members of the Supervisory Board to the temporary performance of the functions of the members of the Management Board who are not in a position to perform their duties;*

*h) approval of the annual financial plans of the capital group of the Company, comprising the Company and its subsidiaries (the "Group") (budget), the investment plans of the Group and the strategic commercial plans of the Group prepared by the Management Board, providing that the budget shall encompass at least the operating plan of the Group, plan of incomes and costs, forecast in respect of the balance sheet and the plan of the expenses in excess of the usual costs of the Group's business;*

*i) determination of terms and conditions of the issuance of the*



## ARCTIC PAPER

bonds by the Company (other than convertible bonds and/or bonds with priority right, referred to under art. 393 point 5 of Commercial Companies Code) and other debt securities and granting consent to the assumption of any financial liabilities and/or adoption of any actions resulting in the assumption of any financial liability, such as contracting loans, credit facilities, overdrafts, factoring, forfeiting, financial and operational leasing agreements and others, if the amount of such liability exceeds PLN 10,000,000;

j) approval of the operating bylaws of the Company (and not of the other companies from the Group);

k) granting consent for the conduct of any competitive activity and/or for the performance of any functions in the authorities of other companies (whether conducting a competitive business or not) by the members of the Management Board;

l) determination of the rules and amounts of remuneration of the members of the Management Board and other persons, holding key management positions within the Company, and the approval of the incentive schemes (if any), whether applicable to the members of the Management Board and other persons, holding key management positions within the Company, or to any other individuals associated with the Company, including incentive schemes applicable to the Company's employees;

m) adoption of the Supervisory Board's bylaws;

n) granting consent for the conclusion of the agreements between the Company or its subsidiary and the members of the Management Board, members of the Supervisory Board and/or the entities related to the members of the Management Board and/or the members of the Supervisory Board;

o) granting consent to the Management Board for the adoption of any of the following actions:

(i) changing of the investment policy of the Company;

(ii) disposal of any rights and/or contraction of any obligations (including, but not limited to, any conditional and/or off-balance obligations), the value of which exceeds PLN 25,000,000, provided that such disposal and/or contraction remains in connection with the Company's business, including, but not limited to, the sale, purchase, establishing of an encumbrance, lease and/or usufruct of any fixed asset, granting a trade credit, suspending, deferring or waiving the obligation to pay any receivables towards the Company, granting warranties, sureties or becoming liable for the someone's else debt; in case of any doubt whether particular disposal and/or





## ARCTIC PAPER

*contraction remains in connection with the Company's business, upon the relevant request from the Management Board the Supervisory Board shall be entitled to make an assessment in that respect and provide the Management Board with a binding interpretation; the consent of the Supervisory Board is not required for the conclusion of any major contract with customers and suppliers in running business of the Company;*

*(iii) disposal of any rights and/or contraction of any obligations (including, but not limited to, any conditional and/or off-balance obligations), the value of which exceeds PLN 5,000,000, provided that such disposal and/or contraction does not remain in connection with the Company's business;*

*(iv) accession by the Company to and divesting by the Company of any other companies, partnerships and/or entities, including, but not limited to the formation of other companies and partnerships, acquisition of other companies (or parts of such companies as a result of e.g. demerger), purchase of the shares and/or the rights and duties of partner in a partnership, participation in the joint ventures, and disposal of any shares, rights and duties of partner in a partnership and/or similar shareholding rights by the Company, only if such accession or divestment results in the disposal of any rights and/or contraction of any obligations by the Company having the value of at least PLN 1,000,000;*

*(v) transfer of any intellectual property rights and/or ancillary rights by the Company;*

*(vi) engagement of any advisors and/or third parties by the Company or any of its subsidiaries, if the cost of such engagement exceeds the PLN 500,000;*

*(vii) making the advance payment for the dividend expected as at the end of the financial year;*

*(viii) providing financing (by any means whatsoever) to the entities related to the Company, including, but not limited to, granting loans, sureties and/or warranties, becoming liable for such related entity's debt, subscribing for any debt securities, suspending, deferring or waiving the obligation to pay any receivables towards the Company, or disposal of any rights (whether free of charge or not) for the benefit to the entities related to the Company, including, but not limited to, any sale, encumbrance, lease, donation, lending for use and/or contraction of any obligations towards the entities related to the Company (including, but not limited to, any conditional and/or off-balance obligations), the value of which exceeds PLN 10,000,000.*



15.3 *Members of the Supervisory Board perform their duties in person.*

**6. Hitherto wording of section 22:**

22.1 *The Company's notices which are required to be published subject to the legal regulations, shall be published in Monitor Sądowy i Gospodarczy (Court and Economic Monitor).*

22.2 *The official language of the Company is the Polish language.*

22.3 *In case of liquidation of the Company, the General Meeting shall appoint liquidators of the Company and determine the method of liquidation.*

22.4 *The competencies of the members of the Management Board expire on the date indicated in the resolution of the General Meeting on the appointment of liquidators.*

22.5 *The General Meeting and the Supervisory Board retain their powers until the liquidation is completed.*

22.6 *Copies of this deed can be given also to the Company and its new shareholders.*

**Approved wording of section 22:**

22.1 *The Company's notices which are required to be published subject to the legal regulations, shall be published in Monitor Sądowy i Gospodarczy (Court and Economic Monitor).*

22.2 *In case of liquidation of the Company, the General Meeting shall appoint liquidators of the Company and determine the method of liquidation.*

22.3 *The competencies of the members of the Management Board expire on the date indicated in the resolution of the General Meeting on the appointment of liquidators.*

22.4 *The General Meeting and the Supervisory Board retain their powers until the liquidation is completed.*

22.5 *Copies of this deed can be given also to the Company and its new shareholders.*