

STATUTE of Barlinek S.A.

/unified text on the day the changes passed by the GM of June 29th 2009 were registered by the Registration Court/

PART I General Provisions

§ 1

1. The Company conducts its business under the name of Barlinek Spółka Akcyjna.
2. The Company may also use the abbreviated version "Barlinek" S.A., with different graphics, and the English or German description of the company for foreign trade.

§ 2

The Company's registered office is in Kielce.

§ 3

The Company operates on the territory of the Republic of Poland and other countries.

§ 4

The Company is established for an indefinite time.

§ 5

In the areas where it operates, it may open, appoint and run branches, trading, service and production plants, and also found and hold shares in domestic and foreign companies, and participate in joint ventures and economic relations.

§ 6

The Company conducts its business on the basis of the Statute, the Commercial Companies Code and other legislation which is binding for companies.

§ 7

The Company's activities will include conducting business aimed at continuing and expanding the business of Barlineckie Przedsiębiorstwo Przemysłu Drzewnego (the state-owned Barlinek Wood Industry Enterprise) in Barlinek.

§ 8

The Company's founders are:

- a) Echo Press S.A. based in Kielce,
- b) Michał Sołowow, resident in Kielce,
- c) Adam Kubicki, resident in Kielce.

PART II Core Business**§ 9**

The company's core business is, in accordance with the Polish Classification of Economic Activities (directive of the Council of Ministers from December 24th 2007 regarding the Polish Classification of Economic Activities, Journal of Laws Nr 251, item 1885):

- a) manufacture of sawmill products PKD 16.10.Z,
- b) manufacture of wood-based veneer sheets and tiles PKD 16.21.Z,
- c) manufacture of other carpentry products for construction PKD 16.23.Z,
- d) manufacture of other wood products; manufacture of products from cork, straw and weaving materials PKD 16.29.Z,
- e) production and supply of steam, hot water and air for air conditioning systems PKD 35.30.Z
- f) wholesale of wood, construction materials and sanitary fittings PKD 46.73.Z,
- g) non-specialised wholesale PKD 46.90.Z,
- h) wholesale of other semi-finished products PKD 46.76.Z,
- i) legal and accounting activities, fiscal consultancy PKD 69.20.Z,
- j) other consultancy in the field of conducting economic and management activities PKD 70.22.Z,
- k) logging PKD 02.20.Z,
- l) manufacture of wooden packaging PKD 16.24.Z,
- m) activities of agents involved in the sale of wood and construction materials PKD 46.13.Z,
- n) wholesale of fuel and derivatives PKD 46.71.Z,
- o) wholesale conducted via mail order or Internet PKD 47.91.Z,
- p) intermediacy in the field of selling advertising space in printed media PKD 73.12.B,
- q) intermediacy in the field of selling advertising space in electronic media (Internet) PK 73.12.C,
- r) other non-school forms of education not classified elsewhere PKD 85.59.B.

PART III Share capital, shares and shareholders**§ 10**

1. The Company's share capital stands at 145,170,000 (one hundred and forty five million one hundred and seventy thousand) zlotys, divided into:
 - a) 100,000 (one hundred thousand) "A" series bearer shares with a nominal value of 1.00 PLN (one zloty) each,
 - b) 4,700,000 (four million seven hundred thousand) "B" series bearer shares with a nominal value of 1.00 PLN (one zloty) each,
 - c) 1,200,000 (one million two hundred thousand) "C" series shares with a nominal value of 1.00 zł (one zloty) each, consisting of 1,180 (one thousand one hundred and eighty) registered shares and 1,198,820 (one million one hundred and ninety eight thousand eight hundred and twenty) bearer shares,
 - d) 4,000,000 (four million) "D" series bearer shares with a nominal value of 1.00 PLN (one zloty) each,
 - e) 12,500,000 (twelve million five hundred thousand) "E" series bearer shares with a nominal value of 1.00 PLN (one zloty) each,
 - f) 4,000,000 (four million) "F" series bearer shares with a nominal value of 1.00 PLN (one zloty) each,
 - g) 3,500,000 (three million five hundred thousand) "G" series bearer shares with a nominal value of 1.00 PLN (one zloty) each,

- h) 20,000,000 (twenty million) "H" series bearer shares with a nominal value of 1.00 PLN (one złoty) each,
 - i) 30,000,000 (thirty million) "I" series bearer shares with a nominal value of 1.00 PLN (one złoty) each,
 - j) 8,000,000 (eight million) "J" series bearer shares with a nominal value of 1.00 PLN (one złoty) each,
 - k) 8,780,000 (eight million seven hundred and eighty thousand) "K" series bearer shares with a nominal value of 1.00 PLN (one złoty) each,
 - l) 48,390,000 (forty eight million three hundred and ninety thousand) "L" series bearer shares with a nominal value of 1.00 PLN (one złoty) each,
2. The Company may issue registered or bearer shares.
 3. The shares are acquired by the shareholders for the issue price.
 4. The shares may be issued for monetary or non-monetary payment, or for both types simultaneously.
 5. Registered shares may be converted to bearer shares at the request of a shareholder who owns registered shares. In this case Management is obliged to call a General Meeting in order to pass a resolution to convert registered shares to bearer shares, within 14 days of receiving the shareholder's application. In the case of registered shares purchased for non-monetary payment, the change to bearer shares will take place no earlier than the time stipulated in art. 336 § 1 of the Commercial Companies Code.
 6. Share capital may be increased by a resolution of the General Meeting.
 - a) by issuing new shares;
 - b) by increasing the nominal value of shares.
 7. The share capital may be lowered by decreasing the nominal value of shares, or by combining or amortising shares and in the event of a division by imparting them under the conditions stipulated in the Commercial Companies Code.
 8. Shares in the Company may be cancelled. The conditions and manner of cancellation are defined by a resolution of the General Meeting.

§ 11

1. In the event of co-ownership of shares, the co-owners are obliged to designate one representative to represent their rights and duties arising from their share in the Company.
2. If a shareholder has not paid the share capital within the time designated, he will be obliged to pay interest for the delay in the amount due.
3. If a shareholder does not make the payment within a month of the time designated for paying for shares, his share documents will be invalidated and then new share documents will be issued in their place to be sold according to the procedures stipulated in art. 331 of the Commercial Companies Code.

§ 12

1. The Company creates the following capital:
 - 1) share capital,

- 2) supplementary capital,
 - 3) reserve capital.
2. As well as the capital mentioned in par. 1, the Company creates a company social fund and other funds, where the applicable legislation allows this.

§ 13

1. The supplementary capital is formed from the profits to be shared, and is assigned to cover losses shown in financial reports, and for other purposes indicated by the General Meeting. The supplementary capital write-down may not be less than 8% of the profits for a given financial year, providing this capital does not reach at least a third of the share capital.
2. Surpluses resulting from issuing shares above their nominal value and remaining after covering the costs of the share issue must be transferred to the supplementary capital.
3. A surplus in supplementary capital exceeding one third of the share capital may be allocated by the General Meeting for reserve capital.
4. Use of supplementary capital is decided by the General Meeting, however part of the supplementary capital totalling one third of the share capital may only be used to cover losses shown in financial reports.

§ 14

1. The Company's profits reduced by the relevant taxes and payments constitute the profits to be shared.
2. A resolution regarding disposal of the profits for distribution is adopted by the General Meeting, taking into consideration the provisions of § 13. The General Meeting may decide to allocate part of the profit for distribution to increase the share capital according to art. 442-443 of the Commercial Companies Code by creating new shares allocated to shareholders relative to the number of shares they already hold in the share capital.
3. The General Meeting of Shareholders may decide by resolution to exclude the annual profit from distribution among the shareholders and leave it in the Company to meet its operating needs.
4. Company Management may decide to pay advances on future dividends. The principles for paying advances on dividends are regulated by the Commercial Companies Code.
5. The Ordinary General Meeting decides by resolution when dividend day falls. Dividend day may not be designated later than three months after the day the General Meeting passes the resolution to allocate the profits for distribution among shareholders.

PART IV Company Bodies**§ 15**

The Company bodies are:

- 1) The Management Board,
- 2) The Supervisory Board,
- 3) The General Meeting.

Section I. The Board**§ 16**

1. Company Management consists of one or more persons.
2. The Management or its particular members appoint, dismiss and suspend the Supervisory Board, which chooses the President of the Management Board and possibly the Vice President of the Management Board.
3. The Management Board of the Company is appointed for a period of 3 years, in that, the term of office the first Management Board may not exceed 2 years. Members of the Management Board invoke the period of joint term of office, which does not exclude the right to earlier dismissal of each member of the Management Board.
4. The mandate of members of the Management Board expires at the latest on the day of the General Meeting confirming the financial report for the last full year the term of office of the Management Board.
5. In the event of the resignation of a member of Management from the function he holds, a resignation statement should be submitted to the Supervisory Board.

§ 17

1. The Management Board of the Company under the direction of the President conducts the business of the Company and represents it externally.
2. The scope of Management's operations includes all Company matters not reserved for the General Meeting or Supervisory Board. Acquisition and sale of property, perpetual usufruct or shares in property or in perpetual usufruct form part of Management's competences, except where indicated otherwise by § 20 item 2 pt. 6 of the Statute.
3. Management's method of operating and the scope of matters requiring a Management resolution are defined in the regulations passed by Management and approved by the Supervisory Board.
4. In the event of the appointment of a Management Board of numerous persons for the submission of statements of will in the name of the Company co-operation is required of two members of the Management Board or one member together with an appointed Plenipotentiary. Company Management, in carrying out the entitlements of the Partners' Meeting in subsidiaries is obliged to seek the prior consent of the Company's Supervisory Board, in the event that the liabilities taken out or order of rights by the subsidiary is to exceed the limits defined in 20 item 2 pt. 6 or 7 of the Statute.
5. Establishment of a proxy requires the agreement of all members of the Board.
6. The proxy may be dismissed by any member of the Board.

§ 18

Employment contracts or contracts of other types with Management members are signed on behalf of the Supervisory Board by the Chair of the Supervisory Board, establishing the levels of salaries and bonuses, after prior approval of the text of such contracts, and the salary and bonus levels, by a resolution of the Supervisory Board.

Section II. The Supervisory Board,**§ 19**

1. The Supervisory Board consists of at least five (5) members appointed and recalled by the General Meeting for a term of three (3) years, with the members being appointed for a joint term, which does not exclude the possibility of recalling each of the Supervisory Board members early. The numerical strength and personnel of each Supervisory Board is established by a resolution of the General Meeting.
2. The Supervisory Board chooses from among its members a Chair of the Supervisory Board, a Vice Chair and a Board Secretary.
3. In the event of the resignation of a member of the Supervisory Board from the function he holds, a resignation statement should be submitted to the General Meeting.

§ 20

1. The Supervisory Board conducts continuous supervision over all aspects of Company's operations.
2. The Supervisory Board's competencies include, in particular:
 - 1) assessment of the financial report for the last financial year as regards its consistency with the books and documents, and with the facts of the matter,
 - 2) assessment of Management's report on the last year of the Company's activities as regards its consistency with the books and documents, and with the facts of the matter, and issuing opinions on Company Management's conclusions regarding distributing profits and covering losses,
 - 3) submitting the annual written report, on the results of the assessments of the reports mentioned in pt. 1 and 2, to the General Meeting
 - 4) approval of the regulations issued by Management defining the internal organisation of the Company's business,
 - 5) choice of the independent auditor to examine the Company's financial reports,
 - 6) expressing approval to take on obligations and disposition of the rights in matters within the Company's normal operations, if their value exceeds 20% of the Company's equity capital. In the event of any doubt as to whether a given matter is covered by the Company's normal operations, the Supervisory Board is entitled to make an interpretation of this at Management's request. The interpretation made will be binding for Management;
 - 7) expressing approval to take on obligations and disposition of the rights in matters beyond the Company's normal operations whose value exceeds 10% of the Company's equity capital;
 - 8) expressing consent for Company Management to sign agreements with sub-issuers, as mentioned in art. 433 § 3 of the Commercial Companies Code;
 - 9) carrying out other tasks defined in the present Statute and the relevant regulations of the Commercial Companies Code.

3. The organisation and operating method of the Supervisory Board are defined by the regulations passed by the Supervisory Board.
4. In order to carry out the actions defined in the present section, the Supervisory Board is authorised to conduct checks in all the Company's departments, investigate the books and other documents, and request reports and explanations from Company Management and employees.

§ 21

1. The Supervisory Board holds sessions when necessary, but no less than three times per financial year.
2. Sessions of the Board are called by the Chair or, in the event of his absence, the Vice Chair, who in this case acts as Chair.
3. Supervisory Board resolutions are passed by a majority of votes cast. In the event of a vote being tied, the chair of the session holds the casting vote.
4. To be valid, Supervisory Board resolutions require:
 - 1) all members of the Board to be informed of the session,
 - 2) at least half of the members of the Board to be present at the session.
5. Members of the Supervisory Board may take part in passing resolutions by voting in writing through another member of the Supervisory Board. Voting cannot take place in writing on matters introduced to the agenda during the session of the Supervisory Board.
6. Resolutions of the Supervisory Board may be passed in writing or by means of direct understanding. A resolution is valid if all members of the Supervisory Board have been informed of the contents of the draught resolution.

§ 22

1. The Supervisory Board fulfils its functions collectively, however it can delegate its members to fulfil defined supervisory functions independently.
2. Supervisory Board Members discharge their rights and duties in person.
3. Members of the Supervisory Board may be allocated a salary. The salary is defined by a resolution of the General Meeting.

Section III. The General Meeting.

§ 23

1. General Meetings of shareholders are either ordinary or extraordinary. The General Meeting is held at the Company's headquarters or any other location in the Polish Republic indicated in the General Meeting announcement.
2. An Ordinary General Meeting is called by the Company Management no later than six months after the end of each financial year.

3. An Extraordinary General Meeting is called by Company Management on its own initiative, or at the written request of the Supervisory Board or of shareholders representing no less than 1/10 (one tenth) of the share capital.
4. An Extraordinary General Meeting at the request of the Supervisory Board or shareholders should be called no later than 14 days after the request is received.
5. The request to call an Extraordinary General Meeting should indicate the matters which are to be put to the meeting, and drafts of any resolutions.
6. If Company Management does not keep to the deadlines stipulated in par. 2 and 4, the General Meeting may be called by the Supervisory Board or the shareholders who submitted the request to call the Extraordinary General Meeting, who have been entitled by the registration court to call an Extraordinary General Meeting.
7. The General Meeting is called in the manner stipulated in the provisions of the Commercial Companies Code.

§ 24

1. The General Meeting is opened by the Chair of the Supervisory Board, or its Vice-Chair, a member of Management or person indicated by Company Management. In the event of their absence, the General Meeting is opened by the shareholder present who represents the largest share of the Company's share capital, after which a Chair of the Meeting is elected from among the persons entitled to vote.
2. The General Meeting may only pass resolutions on matters covered by the agenda established by Management taking into account any requests made by the Supervisory Board or shareholders representing 1/10 (one tenth) of the share capital.
3. If the requests mentioned in par. 2 are submitted after the calling of the General Meeting is announced, they are treated as requests to call an Extraordinary General Meeting with the agenda defined in the request.
4. In matters not covered by the agenda, the session may not pass resolutions, unless the entire share capital is represented at the General Meeting and none of those present have expressed disagreement with the passing of the resolution.
5. Resolutions may be passed despite a General Meeting not being formally called, if the entire capital is represented and none of those present have expressed disagreement with the holding of a General Meeting or with the inclusion of particular matters on the agenda.

§ 25

1. Resolutions of the General Meeting are passed by a simple majority of votes cast, unless the Statute or Commercial Companies Code stipulates otherwise.
2. Resolutions of the General Meeting are passed by a $\frac{3}{4}$ majority in matters concerning:
 - 1) a change to the Company Statute
 - 2) issuing convertible shares and bonds with share acquisition privileges,
 - 3) reducing share capital,
 - 4) selling a Company enterprise or one of its organised parts,
 - 5) dissolving the Company.

3. Resolutions regarding fundamental changes to the subject of the Company's activities are passed in an open vote by roll call. A change may be made to the subject of the Company's activities without the obligation to buy shares, if the resolution is passed by a 2/3 majority in the presence of persons representing at least half of the capital.
4. Each share, with the exception of privileged shares, gives the right to one vote at the General Meeting.
5. Shareholders may participate and exercise their voting rights at the Shareholders' Meeting either in person or through attorneys. Power of attorney must be granted in writing and attached to the protocol in order to be valid.
6. Members of Management and Company employees may not be attorneys at a General Meeting.

§ 26

1. Passing resolutions in the following matters in particular belong to the competences of the General Meeting:
 - 1) review and approval of the Management Board's Report on the Company's activity and the financial report for the previous financial year,
 - 2) profit sharing or the method of covering any losses made in the previous financial year,
 - 3) granting members of Company bodies exoneration from carrying out their duties;
 - 4) selling or leasing an enterprise or organised part, and establishing limited material rights on this,
 - 5) a change to the Company Statute
 - 6) issuing convertible shares with share acquisition privileges, and issuing subscription warrants, as mentioned in art. 453 § 2 of the Commercial Companies Code;
 - 7) purchase of own shares in the conditions defined in art. 362 § 1 pt 2 of the Commercial Companies Code, and authorising their purchase in the conditions defined in art. 362 § 1 pt 8 of the Commercial Companies Code,
 - 8) share amortisation and the conditions of such amortisation,
 - 9) signing a contract or agreement between the parent company and a subsidiary which anticipates the subsidiary being managed or passing on its profits,
 - 10) establishing the salary principles for the Supervisory Board members,
 - 11) other tasks defined in the present Statute and the Commercial Companies Code.

PART V The Company's Accountancy

§ 27

1. The members of the Board of Management are responsible for the Company's accounts being properly kept.
2. The Company conducts the accountancy necessary for its own requirements and for the reports by the Central Statistical Office, in accordance with applicable legislation regarding company accountancy.

§ 28

1. The Company's annual balance, profit and loss account and other annual reports should be prepared no later than 3 months after the end of the financial year.

2. The financial year is the calendar year.

§ 29

1. The annual balance along with the profit and loss account and the Company Management's annual report is submitted by Management to the Supervisory Board for examination, and then to the General Meeting for approval. They should be approved by the General Meeting of Shareholders no later than 6 months after the end of the financial year.
2. Copies of Management's report into the Company's activities, and of the financial report along with a copy of the Supervisory Board's report and the independent auditor's opinion are issued to shareholders at their request, no later than 15 days before the General Meeting.

PART VI Final Provisions

§ 30

1. The Company places its announcements in the Court and Economic Monitor.

§ 31

1. Liquidation of the Company is carried out under the Company name with the notation "in liquidation".
2. Liquidation of the Company is carried out by the Chair of the Board of Management and a person designated by the Supervisory Board.
3. The General Meeting may delegate the liquidation of the Company to other persons.