

**TERMS OF REFERENCE OF THE GENERAL MEETING OF SHAREHOLDERS  
OF LUBELSKIE ZAKŁADY PRZEMYSŁU SKÓRZANEGO PROTEKTOR S.A. IN LUBLIN**

**DATED MAY 31<sup>st</sup>, 2005**

**I. GENERAL PROVISIONS**

**§ 1**

This Regulation, hereinafter referred to as the "Regulation," sets forth the rules and procedures for convening and conducting the meetings of the General Meeting of Shareholders of Lubelskie Tanning Industry Plant PROTEKTOR S.A., hereinafter referred to as the "Company," whether ordinary or extraordinary. Together with the provisions of the Commercial Companies Code and the Company's Statute, it constitutes the legal basis for the functioning of this body.

**§ 2**

The General Meeting of Shareholders, hereinafter referred to as the "General Meeting," shall be held at the Company's registered office.

**§ 3**

Owners of bearer shares who wish to participate and exercise voting rights at the General Meeting must deposit certificates with the Company at least one week prior to the Meeting, and these certificates must not be withdrawn before the conclusion of the Meeting. Alternatively, certificates issued by the entity maintaining the securities account, confirming the number of shares held and that these shares will remain blocked on the account until the end of the General Meeting, may be submitted.

**§ 4**

1. Shareholders may participate in the General Meeting in person or through a proxy, provided that they submit written and properly paid power of attorney to an employee designated by the Management Board.
2. The following persons should be present at the General Meeting:
  - a) Members of the Supervisory Board,
  - b) Members of the Management Board,
  - c) Notary preparing the minutes of the General Meeting,and, if necessary, invited experts.

§ 5

Technical and organizational support for the meeting shall be provided by the Company's Management Board.

**II. PROCEDURE FOR CONDUCTING THE MEETING**

§ 6

1. Shareholders arriving at the General Meeting confirm their presence by signing the attendance list available at the entrance to the meeting room and receive voting cards prepared by the Management Board.
2. Proxies submit the original, duly paid power of attorney granted by the shareholder, and sign their full name clearly on the attendance list, alongside the name of the principal.

§ 7

1. The proceedings of the General Meeting are opened by the Chairperson of the Supervisory Board or their deputy; in their absence, by the President of the Management Board or a person appointed by the Management Board, who then manages the election of the Chairperson of the General Meeting, hereinafter referred to as the "Chairperson."
2. The Chairperson may be a person entitled to vote at the General Meeting.
3. Candidates for the Chairperson may be proposed by persons entitled to vote at the General Meeting.

§ 8

After the election, the Chairperson:

- a) confirms the proper convening of the General Meeting and its capacity to adopt resolutions on matters on the agenda based on documents related to the convening, the attendance list, original powers of attorney, and any motions submitted by persons entitled to vote,
- b) at the request of persons representing at least 10% of the share capital, orders the verification of the attendance list by a specially appointed committee consisting of at least three persons, one of whom is chosen by the applicants,
- c) manages the acceptance of items on the agenda.

## § 9

During the proceedings, the Chairperson's duties and powers include, in particular:

- a) overseeing the compliance of the proceedings with the provisions of the Commercial Companies Code, the Company's Statute, and this Regulation,
- b) granting the floor to participants, including invited experts if necessary,
- c) taking the floor of participants, especially when a statement:
  - concerns a motion that cannot be considered by the General Meeting,
  - violates the established order of the agenda,
  - grossly infringes the law or good morals,
- d) managing the recording of objections raised in the minutes,
- e) managing votes on removing persons who grossly violate the law, the Company's Statute, or good morals from the meeting room,
- f) cooperating with the notary preparing the minutes,
- g) managing votes on resolutions of the General Meeting, confirming their correctness and results,
- h) responding to motions submitted by participants and, if necessary, conducting votes on those motions.

## § 10

The basic rights and duties of persons entitled to vote include, in particular:

- a) exercising the right to vote freely,
- b) submitting motions,
- c) requesting secret voting,
- d) requesting the minutes to record their motions,
- e) asking questions and requesting explanations from members of the Management Board and the Supervisory Board present at the meeting concerning matters on the agenda,
- f) observing the established order of the meeting, applicable laws, the Company's Statute, this Regulation, and good morals.

## § 11

1. The proceedings of the General Meeting are documented by the notary, and the protocol should include, in particular:

- a) confirmation of the proper convening of the General Meeting and its capacity to adopt resolutions,
  - b) the content of adopted resolutions, along with the number of votes for each resolution and any objections raised.
2. The protocol is signed by the Chairperson and the notary.
  3. The following are attached to the protocol:
    - proof of the convening of the General Meeting,
    - attendance list with signatures of participants.
  4. The Management Board submits the protocol to the minutes book, which shareholders and members of the Company's bodies have the right to review and request certified copies of.

### **III. ELECTION OF THE SUPERVISORY BOARD**

#### **§ 12**

The General Meeting appoints and dismisses the Supervisory Board. The Supervisory Board consists of five members.

#### **§ 13**

The General Meeting may elect the Supervisory Board through separate voting groups. The procedure in this case is as follows:

- a) Persons representing at the General Meeting the portion of shares corresponding to the division of the total number of shares by the number of Supervisory Board members may form a separate group for the election of one Supervisory Board member. However, they do not participate in electing the remaining members.
- b) Mandates not filled by the respective voting groups are filled through a vote involving all shareholders whose votes were not cast in the separate group elections.
- c) If, at the General Meeting, no at least one group capable of electing a Supervisory Board member is formed, the election is not conducted.
- d) Once at least one Supervisory Board member is elected through separate voting groups, the mandates of all current Supervisory Board members expire prematurely, except for those appointed under separate legal provisions (Article 385 § 4 of the Commercial Companies Code).

#### **IV. FINAL PROVISIONS**

##### **§ 14**

This Regulation enters into force on the date of its adoption, i.e., May 31, 2005, and remains in effect until amended by the General Meeting.