Grupa KĘTY S.A.

THE COMPANY ARTICLES
(uniform text)

I. __GENERAL PROVISIONS__

§ 1

1. The business name of the Company shall be as follows: Grupa KĘTY Spółka Akcyjna /Grupa KĘTY Joint Stock Company/.
2. The Company may use an abbreviated form of its business name: KĘTY S.A.

§ 2

The Company seat shall be in the city of Kęty.

§ 3

1. The State Treasury is the promoter of the Company.

2. The Company has come into existence in result of transformation of the state enterprise denominated: Zakłady Metali Lekkich „Kęty” w Kętach /Zakłady Metali Lekkich „Kęty” in Kęty/.

§ 4

Deleted

§ 5

1. The Company shall run its business activity in the Republic of Poland and abroad.

2. Within the territory of its business activity the Company may establish and liquidate its enterprises, plants, branches, offices, agencies, divisions organized both territorially and materially, may enter into other companies and participate in other organizations and ventures.

II. __THE OBJECTS OF THE COMPANY__

§ 6

1. The Company basic objects shall be as follows:
   1) Manufacture of corrugated paper and paperboard and of containers of paper and paperboard - PKD 21.21.Z
   2) Other printing activity not elsewhere classified - PKD 22.22.Z
   3) Manufacture of plastic packing goods - PKD 25.22.Z
   4) Aluminium production - PKD 27.42.Z
   5) Casting of light metals - PKD 27.53.Z
   6) Forging, pressing, stamping and roll forming of metal; powder metallurgy - PKD 28.40.Z
   7) Treatment and coating of metals - PKD 28.51.Z
   8) General mechanical engineering - PKD 28.52.Z
   9) Manufacture of light metal packaging - PKD 28.72.Z

10) Manufacture of other fabricated metal products not elsewhere classified - PKD 28.75.B
11) Recycling of metal waste and scrap - PKD 37.10.Z

2. Moreover the Company objects shall be as follows:
   1) Distribution of electricity - PKD 40.10.C
   2) Distribution of gaseous fuels through mains - PKD 40.20.B
   3) Other financial intermediation not elsewhere classified - PKD 65.23.Z
   4) Letting of own real properties - PKD 70.20.Z
   5) Renting of construction and civil engineering machinery and equipment - PKD 71.32.Z
   6) Renting of other machinery and equipment not elsewhere classified - PKD 71.34.Z
   7) Computer and related activities - PKD 72
   8) Market research and public opinion polling - PKD 74.13.Z
   9) Labour recruitment and provision of personnel - PKD 74.50.Z
   10) Sewage disposal - PKD 90.00.D

III. <u>THE INITIAL CAPITAL</u>

§ 7

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§ 8

1. The Company initial capital amounts to 23,064,157.50 PLN (say: twenty three million sixty four thousand and one hundred and fifty seven zlotys fifty groszes).

2. The initial capital is divided into 9,225,663 (say: nine million two hundred twenty five and six hundred and sixty three) shares with nominal value of 2.50 PLN (say: two zlotys fifty groszes) each, taken up for cash.

3. The Company shares are bearer shares and cannot be converted into registered shares.

4. The Company shares are as follows:

   1) 6,766,323 (say: six million seven hundred and sixty six thousand three hundred and twenty three) series A shares,
   2) 1,659,340 (say: one million six hundred and fifty nine thousand three hundred and forty) series B shares,
   3) 500,000 (say: five hundred thousand) series C shares.
   4) 300,000 (say: three hundred thousand) series D shares

   Shares of successive issues shall be marked with subsequent alphabet letters.

5. The Company shall have the right to issue bonds, bonds convertible into shares included.

6. The Company shares may be redeemed according to provisions determined in the Polish Code of Commercial Partnerships and Companies. Detailed conditions of redeeming shall be specified each time under resolution of the General Meeting of Shareholders.

7. In virtue of a resolution on issue of series B, C and D bonds with pre-emptive right to take up series E shares of the Company and on a conditional increase of the initial capital by way of issue of series E shares adopted by the General Meeting of Shareholders on 11th May 2006, the Company initial capital has been conditionally increased by 687,000 PLN (say: six hundred and eighty seven thousand zlotys) by issue of 274,800 (say: two hundred and seventy four thousand and eight hundred) ordinary bearer series E shares of nominal value amounting to 2.50 PLN (say: two zlotys fifty grosz) each.

§ 9

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§ 10

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§ 11

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IV. <u>THE COMPANY BODIES</u>

§ 12

The Company bodies shall be as follows:

a) Management Board;
b) Supervisory Board;
c) General Meeting.

A. THE COMPANY MANAGEMENT BOARD

§ 13

1. The Company Management Board shall be composed of one to five persons.

2. The Supervisory Board shall appoint the President of the Management Board and upon a motion of the Management Board President, also other members of the Management Board.

3. Term of office of the Management Board shall be of three years. Members of the Management Board shall be appointed for the common term of office.

4. The Supervisory Board may recall any member of the Management Board at any time.

§ 14

1. The Management Board directed by its President shall manage the Company affaires and represent the Company.

2. Any matters related to management of the Company affaires, not reserved for the authority of the General Meeting or the Supervisory Board shall be within the powers of the Management Board, but for actions determined in § 21 item 3 a consent of the Supervisory Board shall be required.

3. The Management Board course of action shall be determined in details in the Management Board Work Regulations approved by the Supervisory Board.

§ 15

Where the Management Board consists of more than one member, two members of the Management Board acting jointly or one member of the Management Board acting jointly with the Procurator shall make statements and sign documents on behalf of the Company.

§ 16

A representative of the Supervisory Board delegated from among its members shall on behalf of the Company conclude, terminate and amend contracts with members of the Company Management Board.
The same procedure shall be applied to any other actions concerning legal relations between members of the Management Board and the Company.

B. SUPERVISORY BOARD

§ 17

1. The Supervisory Board shall be composed of 5 – 6 members appointed and recalled by the General Meeting.

2. The term of office of the Supervisory Board shall last three years. Members of the Supervisory Board shall be appointed for the common term of office.

3. The General Meeting may recall a member of the Supervisory Board at any time.

4. At least half of the members of the Supervisory Board should be independent members. Independent members of the Supervisory Board should be free from any connections, which might substantially influence the capacity of the independent member to take impartial decisions.

5. Independency, as referred to in passage 4 should be, in particular, understood as:
   a) lack of connections with the Company because a member of the Supervisory Board:
   - is not linked with the Company due to a job agreement nor any civil legal agreements which might result in his/her dependency;
   - is not an owner or co-owner; is not member of management or supervisory bodies of the entities which render any services to the Company or are suppliers or customers for the Company's products
   - does not participate in any incentive programs in the Company.
   b) lack of links with the shareholders because a member of the Supervisory Board:
   - is not linked with a shareholder due to a job agreement nor any civil legal agreements which might result in his/her dependency;
   - is not an owner or co-owner, is not member of management or supervisory bodies of the entities which are shareholders in the Company.
   c) lack of links with the employees of the Company because a member of the Supervisory Board:

- is not a family member of any of the members of the Management Board.

§ 18

1. The Supervisory Board shall from among its members elect a Chairperson, a Deputy Chairperson and, if needed, a Secretary of the Supervisory Board. The Chairperson of the Supervisory Board shall convene and chair the Board meetings and manages it works. If the Chairperson is not able to perform his/her duties or he/she is absent, the Deputy Chairperson shall do his/her duty.

2. The first meeting of the newly elected Supervisory Board shall be - up to the moment of election of a new Chairperson - convened and chaired by the Chairperson of the outgoing Supervisory Board. Election of the Chairperson and the Deputy Chairperson shall be made after opening of the meeting.

3. The Supervisory Board shall be summoned at least once in each calendar quarter.

4. The Supervisory Board shall be summoned upon a written motion of any of its members or upon a motion of the Management Board.
   The Supervisory Board shall be summoned not later than within 14 (fourteen) days from the date of putting forward the motion.

5. Meetings of the Supervisory Board shall be convened by registered letters, courier service or telefax seven days in advance.

6. Meetings of the Supervisory Board may be held despite not having been formally convened if all its members agree to it not later than on the day of the meeting and confirm it in writing, telefax form included, or put their signatures on the list of attendance.

7. Subject to provisions of item 6 of this paragraph, invitations to attend a meeting of the Board or a consent to hold it even if it has not been formally convened, have to comprise - on pain of nullity - the agenda of the meeting.

8. Resolutions on matters not included into the agenda cannot be adopted, unless all members of the Board are present at the meeting and none of those present has objected to it.

9. Resolutions of the Supervisory Board may be adopted by voting in writing if all members of the Board agree as to content of the resolutions or to voting in writing. The date when a resolution is adopted shall be the date when the last person participating in the voting has put his/her signature.

10. In circumstances especially justified for the Company interest, meetings of the Supervisory Board may be held also by phone, where all present members of the Supervisory Board can communicate with each other. Resolutions adopted at such meetings shall be valid if all members of the Supervisory Board who have participated in the meeting sign a minute of the meeting. In such cases the place of the meeting and

drawing up of the minutes shall be the place of residence of the Chairperson of the Supervisory Board or his/her Deputy Chairperson if he/she chaired the meeting.

§ 19

1. The Supervisory Board may adopt resolutions if at least half of its members - including the Chairperson or the Deputy Chairperson - are present at the meeting and all members have been invited.

2. Resolutions shall be adopted by ordinary majority of votes cast. In case of equal number of votes, the Chairperson shall have a casting vote. The interested members of the Supervisory Board shall refrain from voting on matters determined in § 21 item 3 point 6 letter b).

§ 20

The Supervisory Board acts in virtue of rules passed by it that determine in detail work procedure of the Board.

§ 21

1. The Supervisory Board shall exercise a day-to-day supervision over the Company activities.

2. Save for matters that are within authority of the Supervisory Board under the provisions of the Polish Code of Commercial Partnerships and Companies and under other provisions of these articles, special duties of the Board shall include the following:
   1) appraising the Company financial statements and the Management Board's report on the Company activities,
   2) examination of the Management Board's motions concerning distribution of profit and covering loss,
   3) submitting to the General Meeting of Shareholders annual written reports on findings concerning actions mentioned in items 1 and 2 above,
   4) appointment and recall of members of the Company Management Board and determination of rules of remunerating them,
   5) suspending of the Management Board or a member thereof from their duties because of important reasons,
   6) delegating a member or members of the Supervisory Board to perform temporally duties of members of the Management Board who are incapable of discharging their duties,
   7) passing Work Regulations of the Company Management Board,
   8) approving annual budgets and strategic plans of the Company,
   9) election of auditors to make audit of the Company financial statements.

3. Moreover the Management Board shall get a consent of the Supervisory Board before it performing any of the following activities:
   1) opening or closure of a branch or production plant and starting a new business activity,
   2) sale, lease, pledging, mortgaging or otherwise charging on or disposing of the Company assets by way of one or more interrelated transactions of a book value exceeding 10% of net value of the company fixed assets disclosed in the Company consolidated balance sheet, except for inventories sold in the ordinary course of business of the Company,
   3) raising credits or loans with repayment period exceeding 1 (one) year, if total indebtedness caused by such credits or loans exceeds equivalent in Polish zlotys of

10,000,000.00 (ten million) US dollars converted according to an average currency exchange rate published by the National Bank of Poland on the day when such a motion is submitted to the Supervisory Board by the Management Board (hereinafter referred to as „the Exchange Rate").

4) granting credits or loans or other debts in an amount exceeding equivalent in Polish zlotys of 100,000 (one hundred thousand) US dollars according to the Exchange Rate, or with the repayment period exceeding 1 (one) year, except for so called 'merchant's credit' /translator's note: deferred payment/ and other liabilities appeared in the course of ordinary business activity as well as credits, loans and other liabilities provided for in an approved annual budget,
5) expending amounts exceeding equivalent in Polish zlotys of 1 million (one million) US dollars according to the Exchange Rate within the frame of one or more interrelated transactions, except for expenses approved and specified in the budget or incurred in course of the ordinary business activity; in order to avoid any doubts it should be explained that a consent of the Supervisory Board shall be required for those investment expenses that have not been provided for in the approved budget in an amount exceeding equivalent in Polish zlotys of 1 million (one million) US dollars according to the Exchange Rate,
6) participating in commercial transactions where the other party is:
   a) a member of the Management Board, his/her spouse, their parents and children,
   b) a member of the Supervisory Board, his/her spouse, their parents and children,
7) concluding a joint venture contract, contract of civil partnership, registered or limited partnership, a contract for participation in profits or income, or any other similar contract, in virtue of which the Company income or profit might be or is shared with other persons or units,
8) acquisition or take up of participations or shares in other companies, establishment of subsidiary companies and conclusion of partnership contracts included,
9) providing guarantees or sureties of performance of duties for third parties for amounts exceeding equivalent in Polish zlotys of 1 million (one million) US dollars according to the Exchange Rate, unless such guarantee or surety has been provided for in the approved annual budget,
10) contracting any other off balance sheet liabilities for amounts exceeding equivalent in Polish zlotys of 1 million (one million) US dollars according to the Exchange Rate, unless such guarantee or surety has been provided for in the approved annual budget,
11) deleted,
12) employing or hiring advisers and other outsourced persons as consultants, lawyers or agents, if total annual costs of employment of such persons - not provided for in the approved annual budget - exceeds or can exceed 1 million (one million) US dollars according to the Exchange Rate,
13) pledging or transferring ownership in order to guarantee, or other burdening of rights from shares or participations held by the Company.

4. deleted.

§ 22

1. Members of the Supervisory Board shall exercise their rights and perform their duties personally.

2. The General Meeting shall decide on remuneration of members of the Supervisory Board.

3. The Supervisory Board under its resolution shall fix remuneration of members of the Supervisory Board delegated to perform temporally duties of members of the Management Board.

4. The Company shall refund members of the Supervisory Board costs involved in participation in the work of the Board.

5. deleted

6. The Supervisory Board may apply to the Management Board to appoint experts, translators or other persons with special qualifications if they are needed for correct performance of supervisory functions.

C. GENERAL MEETING

§ 23

1. The General Meeting may be either ordinary or extraordinary one.

2. The Company Management Board shall summon an Ordinary General Meeting of Shareholders and it shall be held no later than six months after the end of each financial year.

3. An Extraordinary General Meeting of Shareholders shall be called by the Company Management Board on its own initiative or on a written demand of the Supervisory Board, its Chairperson, Deputy Chairperson, any three members of the Supervisory Board or on a written request of shareholders representing at least 10% (ten per cent) of the Company initial capital

4. The Extraordinary General Meeting shall be summoned within two weeks from the date of making the corresponding motion.

5. The Supervisory Board, its Chairperson, Deputy Chairperson or any other three members of the Board may call a General Meeting should the Management Board fail to:
   1) call an Extraordinary General Meeting within the term specified in item 4 of this paragraph, or
   2) call an Ordinary General Meeting within the term specified in item 2.

§ 24

1. The General Meeting may adopt valid resolutions only on matters included in the agenda, except where the entire initial capital is represented at he General Meeting and none of those present have objected to adopting such resolutions.

2. The person or body calling the General Meeting shall determine the agenda.

3. The Supervisory Board, each member of the Supervisory Board and shareholders representing at least 1/10 of the initial capital may demand certain matters to be included into the agenda of the next General Meeting.

4. If such demand is presented after announcement of summons of the General Meeting than it shall be treated as a motion to call an Extraordinary General Meeting.

5. A resolution on abandonment to consider a matter placed on the agenda may be adopted only then when it is based on important reasons. A motion on this matter should be justified in detail. Cancellation from the agenda or abandonment to consider such a matter placed on the agenda by a motion of shareholders must be approved in form of a resolution adopted by the General Meeting, after a prior approval by all present shareholders who have tabled such a motion, supported by a 3/4 majority of votes cast by the General Meeting.

§ 25

General Meetings shall be held in the Company seat or in Warsaw.

§ 26

1. The General Meeting may adopt valid resolution regardless of the number of shareholders present and shares represented therein, subject to provisions of § 27 item 3 and item 4.

2. One share shall carry one vote in the General Meeting.

§ 27

1. Save as otherwise provided by the law or the present Articles, resolutions of the General Meeting shall be adopted by an absolute majority of votes cast.

2. In case provided for in art. 397 of the Polish Code of Commercial Partnerships and Companies, a 3/4 majority of votes shall be required to adopt a resolution on dissolution of the Company.

3. A resolution amending § 27 item 4 of the Articles shall be adopted by majority of votes cast in presence of shareholders representing at least 40% of the initial capital.

4. Resolutions on distribution of profit providing for payment of dividend without recommendation of the Management Board for payment of such dividend shall be adopted by majority of votes cast in presence of shareholders representing at least 40% of the initial capital.

§ 28

Voting shall be open. Secret voting shall be ordered on elections and on motions for recalling members of the company bodies and liquidators, proceedings against them and on personal matters. Furthermore, secret voting shall be ordered should at least one shareholder with voting rights present at the general Meeting so require.

§ 29

1. The Chairperson of the Supervisory Board or a person indicated by him/her shall open the General Meeting; afterwards a Chair of the General Meeting shall be elected from among persons having voting rights.

2. The General Meeting shall pass its regulations specifying procedure of the session.

§ 30

1. The following matters shall be within the powers of the General Meeting:
   1) examination and approval of the Management Board report on the Company activities and of financial statement for the preceding financial year,
   2) adopting resolutions on distribution of profit or covering loss,

3) granting vote of acceptance to members of the Company bodies confirming the discharge of their duties,
4) changing the object of the Company activities,
5) amending the Company Articles,
6) increasing and reducing the Company initial capital,
7) merger, division or transformation of the Company,
8) dissolution and liquidation of the Company,
9) issue of bonds,
10) transfer or lease of an enterprise of the Company or an organized part thereof and creation of a limited right in things thereon,
11) acquisition or transfer of a real property related to the basic business activity of the Company,
12) decisions in respect of claims for making good on damage suffered through the formation of the company or exercise of management or supervision,
13) resolutions consenting the Company to conclude credit, loan, guarantee or other similar contracts with a member of the Management Board, Supervisory Board, Procurator, Liquidator or in favour of any of these persons,
14) determination of the date of acquisition of rights to dividend and date of payment of the dividend,
15) resolutions on redemption of the Company shares.

2. Except for matters mentioned in item 1 above resolutions of the General Meetings shall be required for other matters determined in the Polish Code of Commercial Partnerships and Companies and in other provisions of the Articles.

3. Powers mentioned in item 1 points 2, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15 shall be exercised by the General Meeting on written request of the Company Management Board submitted together with a written opinion issued by the Supervisory Board. The Company Management Board and the Supervisory Board shall assess a motion of shareholders concerning the above matters.

4. The Supervisory Board shall express its opinion mentioned in item 3 above within 14 days from the date of receipt of the Management Board's motion by the Supervisory Board Chairperson. If the opinion is not expressed within the above period the Management Board's motion shall be considered accepted.

§ 31

Subject to observance of the corresponding law regulations in force, changes of objects of the Company may be effected without an obligation to buy out shares.

V. COMPANY ADMINISTRATION

§ 32

The organization regulations passed by the Company Management Board shall determine organization of the Company enterprise.

§ 33

1. The Company shall keep its books in a fair way and according to the law regulations in force.

2. The Company financial year shall be a calendar year.

3. The first financial year of the Company started on the day of its incorporation and terminated on 31st December 1992.

§ 34

1. Subject to provisions of item 2 below, during a financial year and on its closure the Company may create and close down any reserve capitals.

2. Except for the share capital and supplementary the Company shall - in virtue of the law regulations in force - create and maintain other capitals, corporate social benefits fund included.

§ 35

1. Within four months after the end of each financial year, the Company Management Board shall submit to the Supervisory Board a balance sheet as of the last day of the year, profit and loss account, additional information and cash flow statement as well as a detailed written report on the Company activities in the said period, prepared in statutory time and audited by an auditor chosen by the Supervisory Board.
2. The Management Board shall prepare monthly financial reports for the Supervisory Board within the scope and on dates determined by the Board.
3. The Management Board shall prepare annual budgets and submit them to the Supervisory Board for approval on dates determined by the Board. Moreover the Management Board shall prepare strategic plans of the Company development and shall update them every 12 months.
4. The Supervisory Board shall determine requirements for budgets and strategic plans prepared by the Management Board.

§ 36

1. The net profit of the Company may be allocated especially for:
   1) charges to supplementary capital,
   2) investments,
   3) charges to reserve capitals created in the Company,
   4) dividend for the shareholders,
   5) increase of the initial capital,
   6) other purposes determined in resolutions of a corresponding Company body.

2. deleted

VI. __FINAL PROVISIONS__

§ 37

The Company financial statements shall be announced by he Managment Board in Dziennik Urzędowy Rzeczypospolitej Polskiej „Monitor Polski B", announcements on other matters shall be published in Monitor Sądowy i Gospodarczy.

Kęty, 18 May 2006