ACT
of 15 September 2000
THE CODE OF COMMERCIAL PARTNERSHIPS AND COMPANIES[1)]

(Dziennik Ustaw 2000, No. 94, item 1037; 2001, No. 102, item 1117; 2003, No. 49, item 408, No. 229, item 2276; 2005, No. 132, item 1108, No. 183, item 1538, No. 184, item 1539; 2006, No. 133, item 935, No. 208, item 1540; 2008, No. 86, item 524, No. 118, item 747, No. 217, item 1381, No. 231, item 1547; 2009, No. 13, item 69, No. 42, item 341, No. 104, item 860)

TITLE I. GENERAL PROVISIONS

SECTION I. COMMON PROVISIONS

Article 1. § 1. This Act regulates the formation, structure, operation, dissolution, merging, division and transformation of commercial partnerships and companies.

§ 2. The following shall be a commercial partnership or company: a registered partnership, a professional partnership, a limited partnership, a limited joint-stock partnership, a limited liability company and a joint-stock company.

Article 2. The provisions of the Civil Code shall apply to any matters specified in Article 1, paragraph 1 not regulated in this Act. Where the specificity (nature) of the legal relationship of a commercial company so requires, the provisions of the Civil Code shall apply accordingly.

Article 3. By means of a deed of commercial partnership or company, its partners or shareholders shall undertake to pursue a common objective to be attained by making contributions and, where the partnership or company deed or articles so provide, by cooperating in another manner specified therein.

Article 4. § 1. The following terms used in this Act shall have the following meaning:

1) partnership – registered partnership, professional partnership, limited partnership and limited joint-stock partnership;

2) company – limited liability company and joint-stock company;

3) sole-shareholder company – a company in which all shares belong to one shareholder;

4) controlling company – a commercial company where:

a) it commands, directly or indirectly, a majority of votes in the shareholders' meeting or general meeting of shareholders, also in the capacity of a pledgee or usufructuary, or in the management board of another company (subsidiary company) or under agreements with other persons; or

b) it has the power to appoint or recall a majority of members of the management board of another company (subsidiary company) or cooperative (subsidiary cooperative), also under agreements with other persons; or

c) it has the power to appoint or recall a majority of members of the supervisory board of another company (subsidiary company) or cooperative (subsidiary cooperative), also under agreements with other persons; or

d) members of its management board constitute more than half of the members of the management board of another company (subsidiary company) or cooperative (subsidiary cooperative); or

e) it commands, directly or indirectly, a majority of votes in the subsidiary partnership or in the general meeting of the subsidiary cooperative, also under agreements with other persons; or

f) it has the decisive influence on the activity of the subsidiary company or subsidiary cooperative, in particular under the contracts specified in Article 7;

5) related company – a company in which another commercial company or cooperative commands, directly or indirectly, at least 20 per cent of the votes in the meeting of shareholders or the general meeting, also in the capacity of a pledgee or usufructuary, or under agreements with other persons, or which holds directly or indirectly at least 20 per cent of the shares in another company;

6) public company – a company within the meaning of the provisions on public offer and the conditions of introducing financial instruments to organized trading system and on public companies;

7) financial institution – a bank, an investment fund, an investment fund society or a trust fund society, a national investment fund, an insurance establishment, a reinsurance establishment, a trust fund, a retirement pension society, a retirement pension fund or a brokerage house, having its seat within the territory of the Republic of Poland or in a member state of the Organization for Economic Co-operation and Development (OECD);

8) register – register of entrepreneurs;

9) votes – votes in favour, against or abstentions, cast in a voting in conformity with the Act, partnership or company deed or articles;

10) absolute majority of votes – more than half of the cast votes:

11) financial statement – a financial statement within the meaning of the provisions on accounting.

§ 2. Whenever in this Act there is a mention of "company deed", it shall also be understood as the founding act drawn up by the sole shareholder of a company.

§ 3. In the case where two commercial companies command the majority of votes in each other, as calculated pursuant to paragraph 1, subparagraph 4, letter a, the controlling company shall be deemed the commercial company holding a larger percentage of votes at the meeting of shareholders or general meeting of the other company (a subsidiary company). In the case where each of the commercial com-

panies holds an equal percentage of votes at the meeting of shareholders or general meeting of the other company, the controlling company shall be deemed the company exerting an influence on the subsidiary company also in terms of the relation stipulated in paragraph 1, subparagraph 4, letters b to f.

§ 4. In the case where the relationship of dominance and dependency between two commercial companies cannot be determined by applying the criteria stipulated in paragraph 3, the controlling company shall be deemed the commercial company which may exert an influence on the other company due to a larger number of relations referred to in paragraph 1, subparagraph 4, letters b to f.

§ 5. In the case where it is impossible to determine on the basis of paragraphs 3 and 4 which of the companies is the controlling one, both companies shall be deemed mutually controlling and subsidiary.

Article 5. § 1. The documents and information about a company or a limited joint-stock partnership shall be announced or submitted to the registration court, subject to the provisions on the National Court Register.

§ 2. Information about a commercial company gaining or losing a controlling position in a joint-stock company is also subject to announcement. The company articles may provide that, instead of announcement, it is sufficient to notify all shareholders by registered mail.

§ 3. The announcements from a company which are required by law shall be published in *Monitor Sądowy i Gospodarczy* unless this Act provides otherwise. The partnership or company deed or articles may impose a duty to make the announcements in an alternative manner.

§ 4. A company shall apply for an announcement of information in *Monitor Sądowy i Gospodarczy* about an event subject to the duty of publication, in accordance with paragraph 2 above, within two weeks from the occurrence of the event unless this Act provides otherwise.

Article 6. § 1. A controlling company shall be obliged to notify a subsidiary company of the existing relationship of dominance within two weeks from the day when such relationship arose, under pain of the suspension of the voting rights attached to the shares held by the controlling company, such shares representing more than 33 per cent of the initial capital of the subsidiary company.

§ 2. The acquisition or exercise of rights attached to shares by the subsidiary company or subsidiary cooperative shall be understood as the acquisition or exercise of rights by the controlling company.

§ 3. A resolution of the meeting of shareholders or the general meeting thereof, made in violation of paragraph 1, shall be null and void unless the requirements of quorum and majority of votes are fulfilled without taking into account the void votes.

§ 4. A shareholder, member of a company's management board or supervisory board may demand that the commercial company being a member or shareholder in this company provide information as to whether it is in a relationship of dominance or dependency with a specified commercial company or cooperative being a member or shareholder of the same company. The right holder may also demand that they be

informed about the number of shares or votes that the commercial company holds in the company referred to in the first sentence, also in the capacity of a pledgee or usufructuary, or under agreements with other persons. The request for information and the answers shall be made in writing.

§ 5. An answer to the questions referred to in paragraph 4 shall be given to the right holder and the appropriate company within ten days from the day of receipt of the request. If the addressee received the request for an answer later than two weeks before the day for which the meeting of shareholders or the general meeting was convened, the time limit for giving it shall start running on the day following the day when the meeting of shareholders or the general meeting ended. From the day when the time limit for giving an answer starts to run until the day of giving it, the commercial company cannot exercise the rights attached to shares in the commercial company referred to in paragraph 4, first sentence.

§ 6. The provisions of paragraphs 1, 2, 4 and 5 shall apply accordingly in the case of cessation of a relationship of dependency. The duties specified in these provisions shall be borne by the company which ceased to be the controlling one.

§ 7. The provisions of paragraphs 1 to 6 shall not prejudice the provisions of separate Acts relating to the duty of notification about the acquisition of shares or gaining a controlling position in a commercial company or cooperative. In the case of conflicting provisions which cannot be applied jointly, the provisions of that Act which stipulates more onerous duties or sanctions shall apply.

Article 7. § 1. Where the controlling company and the subsidiary company conclude a contract which foresees the management of the subsidiary company or transfer of profit by such company, an extract from such contract, containing the provisions that determine the scope of liability of the controlling company for damage done to the subsidiary company by failure to perform or improper performance of the contract and the scope of liability of the controlling company for obligations of the subsidiary company towards its creditors, shall be attached to the registration files of the subsidiary company.

§ 2. If the contract does not regulate or excludes the liability of the controlling company, referred to in paragraph 1, such circumstance shall also be subject to notification.

§ 3. The management board of the controlling company or the subsidiary company, or the member managing the affairs of the controlling company or the subsidiary company shall notify the registration court of the circumstances subject to disclosure under paragraphs 1 and 2. If the notification about the circumstances subject to disclosure is not made within three weeks from the day when the contract was concluded, it shall result in nullity of the provisions limiting or excluding the liability of the controlling company towards the subsidiary company or its creditors.

SECTION II. PARTNERSHIPS

Article 8. § 1. A partnership may, in its own name, acquire rights, including ownership of immovable property and other rights in rem, incur obligations, sue and be sued.

§ 2. A partnership shall conduct an enterprise under its own business name.

Article 9. Amendments to the provisions of a partnership deed shall require the agreement of all partners unless the deed provides otherwise.

Article 10. § 1. All the rights and duties of partner in a partnership may be transferred to another person only if the partnership deed so provides.

§ 2. All the rights and duties of a partner in a partnership may be transferred to another person only after obtaining written consent of all remaining partners unless the partnership deed provides otherwise.

§ 3. In the case of transfer of all rights and duties of a partner to another person, the withdrawing partner and the partner joining the partnership shall be responsible jointly and severally for the withdrawing partner's obligations related to participation in the partnership and for the partnership's obligations.

Article 10^1. If a partnership is not obliged to keep account books under the Act of 29 September 1994 on Accounting (Dziennik Ustaw 2002, No. 76, item 694; 2003, No. 60, item 535, No. 124, item 1152, No. 139, item 1324, No. 229, item 2276), the provisions of the Code which envisage the necessity to draw up a financial statement shall be implemented on the basis of a total of entries in the tax book of revenues and expenditures, and other records kept by the partnership for tax purposes, physical stock-counting and other documents allowing to draw up such statement.

SECTION III. COMPANIES

Article 11. § 1. Companies in organization, referred to in Articles 161 and 323, may, in their own name, acquire rights, including ownership of immovable property and other rights in rem, incur obligations, sue and be sued.

§ 2. In matters not regulated in this Act, the provisions concerning a given type of company after its entry into the register shall apply accordingly to a company in organization.

§ 3. The business name of a company in organization shall include the words "w organizacji" ["in organization"] as an additional designation.

Article 12. Upon entry into the register, a limited liability company in organization or a joint-stock company in organization shall become a limited liability company or a joint-stock company and gain legal personality. Thereby, it shall become the subject of rights and duties of the company in organization.

Article 13. § 1. The liability for obligations of a company in organization shall be borne jointly and severally by the company and the persons that acted on its behalf.

§ 2. A shareholder of a company in organization shall be liable jointly and severally with the subjects referred to in paragraph 1 for the company's obligations up to the amount of his unmade contribution to pay up the shares he took up.

Article 14. § 1. The object of contribution to a company cannot be a non-transferable right or performance of work or services.

§ 2. Where a shareholder made a defective non-cash contribution, he shall be obliged to compensate the company for the difference between the value assumed in the company deed or articles and the transfer value of the contribution. The company deed or articles may also foresee that in such case the company shall have different rights.

§ 3. A receivable debt of a shareholder in respect of a loan granted to a company shall be considered his contribution to this company in the case where the company is declared bankrupt within two years from the day of conclusion of the loan agreement.

§ 4. A shareholder may not set off his/her receivable debt in respect a company against the company's receivable in respect of the shareholder as regards due payment for the shares. This shall not preclude a contractual set-off.

Article 15. § 1. Unless this Act provides otherwise, the consent of the meeting of shareholders or the general meeting shall be necessary for the company to conclude a credit, loan, suretyship agreement or any similar agreement with a member of the management board, supervisory board or audit commission, or procurator or liquidator, or for the benefit of any of these persons.

§ 2. The conclusion by a subsidiary company of an agreement listed in paragraph 1 with a member of the management board, procurator or liquidator of the controlling company shall require consent of the meeting of shareholders or the general meeting of the controlling company. Article 17, paragraphs 1 and 2 shall apply to the granting of consent and the effects of lack of consent.

Article 16. Disposition of a share made before the company was entered into the register or before the increased initial capital was registered shall be null and void.

Article 17. § 1. Where this Act requires a resolution of shareholders or the general meeting, or the supervisory board for the company to perform an act in law, then an act in law performed without the required resolution shall be null and void.

§ 2. Consent may be granted before a company makes a declaration or after a declaration has been made, however, no later than within two months from the day when the company made the declaration. Confirmation expressed after making the declaration shall operate retroactively from the date of performance of the act in law.

§ 3. An act in law performed without the consent of the appropriate body of the company, such consent required only by the company deed or articles, shall be valid, however, this does not preclude the liability of members of the management board towards the company for violation of the deed or articles of the company.

Article 18. § 1. Only a natural person with full capacity for acts in law can be a member of a management board, supervisory board, audit commission, or a liquidator.

§ 2. No person who was convicted by a valid judgment for the offences specified in the provisions of Chapters XXXIII to XXXVII of the Criminal Code and in Articles 585, 587, 590 and 591 of this Act can be a member of the management board, supervisory board, audit commission, or a liquidator.

§ 3. The prohibition referred to in paragraph 2 shall cease upon the elapse of five years from the day when the convicting judgment becomes valid, however, it cannot end earlier than upon the elapse of three years from the day when the punishment ended.

§ 4. Within three months from the day when the judgment referred to in paragraph 2 became valid, the convict may file a petition with the court that issued the judgment for release from the prohibition of performing functions in a commercial company or for shortening the period of such prohibition. This shall not apply to offences committed intentionally. The court shall adjudicate on the petition by issuing a ruling.

Article 19. Only where this Act so provides shall it be required for all members of the management board to affix their signatures on a document drawn up by the company.

Article 20. Shareholders of a company shall be treated equally in the same circumstances.

Article 21. § 1. A registration court may decide on the dissolution of a company entered into the register in the case if:

1) the deed of the company was not performed;

2) the object of the company's activity specified in the deed or articles is illegal;

3) the deed or articles of the company does not contain any provisions regarding the business name, company's object of activity, initial capital or contributions;

4) all the persons that made the deed of the company or signed the articles did not have capacity for acts in law at the moment they performed them.

§ 2. In the cases specified in paragraph 1, if the defects are not removed within the period fixed by the registration court, said court, having summoned the company's board of management to make a declaration, may issue a decision on the dissolution of the company.

§ 3. Where the defects referred to in paragraph 1 cannot be removed, the registration court shall adjudicate the dissolution of the company.

§ 4. A company cannot be dissolved because of the defects referred to in paragraph 1, if five years have elapsed from its entry into the register.

§ 5. The registration court shall adjudicate the dissolution of a company upon an application of a person having a legal interest or ex officio, having conducted a trial.

§ 6. A decision on the dissolution of a company shall not affect the validity of acts in law of a registered company.

TITLE II. PARTNERSHIPS

SECTION I. REGISTERED PARTNERSHIP

Chapter 1. General Provisions

Article 22. § 1. A registered partnership shall be a partnership which conducts an enterprise under its own business name and is not any other commercial partnership.

§ 2. Every partner shall be liable for obligations of the partnership, without limits, with all his assets jointly and severally with the remaining partners and with the partnership, subject to Article 31.

Article 23. A partnership deed shall be performed in writing under the pain of nullity.

Article 24. § 1. The business name of a registered partnership shall contain the surnames or business names (names) of all partners or the surname(s) or business name(s) [name(s)] of one or several partners with an additional designation "spółka jawna" ["registered partnership"].

§ 2. The abbreviation "sp. j." shall be allowed to be used in trading.

Article 25. A deed of registered partnership shall include in particular:

1) business name and seat of the partnership;

2) specification of contributions made by each partner and their values;

3) the object of the partnership's activity;

4) lifetime of the partnership if defined.

Article 25[1]. § 1. A registered partnership shall come into existence upon entry into the register.

§ 2. The persons who acted on behalf of the company after its formation and before entry into the register shall bear joint and several liability for obligations resulting from such actions.

Article 26. § 1. An application for registration of a registered partnership by a registration court shall include:

1) business name, seat and address of the partnership;

2) objects of the partnership;

3) surnames and forenames or business names of the partners and addresses of partners or their delivery addresses;

4) surnames and forenames of the persons who have the right to represent the partnership and the manner of representation.

§ 2. Any changes of the particulars listed in paragraph 1 shall be reported to the registration court.

§ 3. Each partner shall have the right and duty to submit a notification of the registered partnership to the register. The notification shall be accompanied by the specimen signatures of persons entitled to represent the partnership made before a court or certified notarially.

§ 4. The partnership referred to in Article 860 of the Civil Code (civil law partnership) may be transformed into a registered partnership. The transformation requires notification to the registration court made by all partners. The provisions of paragraphs 1 to 3 shall apply accordingly.

§ 5. Upon entry into the register, the partnership referred to in paragraph 4 shall become a registered partnership. This partnership shall have all the rights and duties that constitute partners' common property. Provisions of Article 553, paragraphs 2 and 3 shall apply accordingly.

§ 6. Prior to the notification referred to in paragraph 4 partners shall adjust the deed of partnership to provisions on the deed of a registered partnership.

Article 27. The spouse of a partner may demand that a note be entered into the register concerning a contract on property relationships between the spouses.

Chapter 2. Relationships with Third Parties

Article 28. Partnership assets shall be any property contributed to or acquired by the partnership during its existence.

Article 29. § 1. Every partner shall have the right to represent the partnership.

§ 2. A partner's right to represent the partnership shall apply to all its court and out-of-court acts.

§ 3. Limitation of the right to represent a partnership cannot be effective against third parties.

Article 30. § 1. A partnership deed may provide that a partner is deprived of the right to represent the partnership or that he is only authorized to represent it jointly with another partner or procurator.

§ 2. A partner may only be deprived of the right to represent the partnership for valid reasons by virtue of a final court decision.

Article 31. § 1. A creditor of a partnership may carry out an execution from partner's assets where execution from partnership's assets proves ineffective (subsidiary liability of the partner).

§ 2. The provision of paragraph 1 shall not encumber bringing a suit against a partner before the execution from partnership's assets proves ineffective.

§ 3. Subsidiary liability of the partner shall not apply to obligations that arose before the entry into the register.

Article 32. A person joining a partnership shall be liable for its obligations that arose before the day of joining.

Article 33. A person who makes a deed of registered partnership with a sole entrepreneur who contributed an enterprise to the partnership shall also be liable for the obligations arisen in the course of conducting of such an enterprise before the day of formation of the partnership up to the value of the contributed enterprise according to its standing at the moment of contribution, and according to the prices at the moment of satisfying the creditors.

Article 34. Contractual provisions in violation of the provisions of Articles 31 to 33 cannot be effective against third parties.

Article 35. § 1. A partner sued in respect of liability for obligations of the partnership may present the creditor with objections the partnership has against the creditor.

§ 2. If the objection requires the partnership to submit a declaration of intention, in order to avoid the legal consequences of the declaration of intention, set-off or in other similar cases the partner may refuse to satisfy the creditor until the partnership makes such a declaration. The creditor may give the partnership two weeks for submitting the declaration of intention and after ineffective elapse of said two weeks the partner or creditor may execute their rights.

Article 36. § 1. During the existence of the partnership, a partner can neither demand that the debtor pay his share in partnership's receivable debt nor present the partnership's receivable debt for set-off to his/her creditor.

§ 2. A debtor of the partnership may not present his/her receivable debt in respect of one of the partners to the partnership for set-off.

Chapter 3. Internal Relationships in the Partnership

Article 37. § 1. The provisions of this Chapter shall apply if the partnership deed does not provide otherwise.

§ 2. A partnership deed cannot limit or preclude the provisions of Article 38.

Article 38. § 1. Third parties cannot be entrusted with conducting the affairs of a partnership to the exclusion of partners.

§ 2. Any contractual limitation of the partner's right to personally obtain information about the condition of a partnership's assets and interests or contractual limitation of the right to personally look into the books and documents of the partnership shall be null and void.

Article 39. § 1. Every partner shall have the right and duty to conduct affairs of the partnership.

§ 2. Every partner may, without a prior resolution of partners, conduct affairs within the scope of ordinary partnership's acts.

§ 3. However, if before dealing with an affair referred to in paragraph 2 at least one of the remaining partners objects to conducting such an affair, a prior resolution of partners shall be required.

Article 40. § 1. Conducting the affairs of a partnership may be commissioned to one or several partners either under the partnership deed or by a subsequent resolution of partners.

§ 2. If several partners were entrusted with keeping the affairs of the partnership, the provisions of this Act regarding the keeping of affairs by all partners shall apply to keeping the partnership affairs by them. A resolution of all partners shall be replaced by a resolution of those partners who were entrusted with keeping partner-

ship affairs. In such case the remaining partners shall be excluded from conducting the affairs of the partnership.

Article 41. § 1. The appointment of a procuration shall require the consent of all partnerships having the right to conduct the affairs of the partnership.

§ 2. Every partner having the right to conduct affairs of the partnership shall have the right to revoke the procuration.

Article 42. If a resolution of partners is required in affairs within the scope of ordinary acts of partnership, such resolution shall require unanimity of all partners having the right to conduct affairs of the partnership.

Article 43. In affairs outside the scope of ordinary acts of a partnership the consent of all partners shall be required, including the partners excluded from keeping the affairs of the partnership.

Article 44. A partner having the right to conduct affairs of the partnership may perform, without a resolution of partners, an urgent act, the non-performance of which might bring serious damage to the partnership.

Article 45. The rights and duties of a partner conducting the affairs of partnership shall be evaluated in the relationship between him and the partnership pursuant to the provisions on mandate and where the partner acts in the name of the partnership without authorization or the partner authorized to conduct the affairs exceeds his authorization, pursuant to the provisions on conducting other persons' affairs without mandate.

Article 46. A partner shall not receive remuneration for conducting affairs of the partnership.

Article 47. A partner may be deprived of the right to conduct the affairs of partnership for valid reasons by virtue of a valid court judgment; this shall also apply to releasing a partner from the duty to conduct the affairs of partnership.

Article 48. § 1. In the event of doubts, the contributions of partners shall be deemed equal.

§ 2. A partner's contribution may be made by transferring or encumbering the ownership of things or other rights, or by making other performances for the benefit of the partnership.

§ 3. The rights that the partner undertakes to contribute to the partnership shall be deemed transferred to the partnership.

Article 49. § 1. If the partner undertook to contribute to the partnership other things than money to be owned or used, then the provisions on sale or lease shall apply accordingly to his duty of performance and risk of accidental loss of the object of performance.

§ 2. Repealed.

Article 50. § 1. The capital share of a partner shall correspond to the value of the actually made contribution.

§ 2. The partner shall neither be entitled nor obliged to increase the agreed contribution.

Article 51. § 1. Every partner shall have the right to equal share in profits and shall participate in losses in the same proportion regardless of the kind and value of contribution.

§ 2. In the event of doubts, the partner's share in profits determined in the partnership deed shall also apply to his share in losses.

§ 3. A partnership deed may release a partner from participation in losses.

Article 52. § 1. A partner may demand division and payment of the whole profit at the end of each financial year.

§ 2. If a partner's capital share was reduced as a result of loss incurred by the partnership, the profit shall be first of all allocated for supplementation of the partner's share.

Article 53. A partner shall have the right to demand every year the payment of interest in the amount of 5 per cent of his capital share, even if the partnership incurs a loss.

Article 54. § 1. Decreasing a partner's capital share requires the consent of the remaining partners.

§ 2. A partner cannot set off a receivable debt he/she has in respect of the partnership from the partnership's receivable debt in respect of the partner for inflicting damage onto it.

Article 55. If the partner makes another deed of partnership or transfers some rights resulting from participation in the partnership to a third party, then neither his partner nor legal successor shall become partners in a registered partnership and, in particular, they shall not have the power to obtain information about the condition of assets and interests of this partnership.

Article 56. § 1. A partner shall be obliged to abstain from any activity contrary to the interests of the partnership.

§ 2. A partner cannot, without express or implied consent of the remaining partners, become involved in competitive interests, and, in particular, participate in a competitive partnership as a partner in a civil partnership, registered partnership, a partner, a general partner or a member of a body of a partnership.

Article 57. § 1. Every partner shall have the right to demand that the partnership be issued the benefit a partner made in breach of the prohibition of competition or that the damage done to it be redressed.

§ 2. The claims referred to in paragraph 1 shall be barred by limitation after the elapse of six months from the day when the remaining partners learned about the violation of the prohibition, however, no later than after the elapse of three years.

§ 3. The provisions of paragraphs 1 and 2 shall not limit the powers of partners, referred to in Article 63.

Chapter 4. Dissolution of Partnership and Withdrawal of a Partner

Article 58. The following shall result in dissolution of a partnership:
1) reasons envisaged in the partnership deed;
2) unanimous resolution of all partners;
3) declaration of bankruptcy of the partnership;
4) death of a partner or declaration of his bankruptcy;
5) termination of the partnership deed by a partner or partner's creditor;
6) valid court judgment.

Article 59. A partnership shall be regarded as prolonged for an indefinite period of time if, in spite of the occurrence of grounds for dissolution provided for in the deed, it continues its activity with the consent of all partners.

Article 60. § 1. If the partnership deed provides that the rights of a deceased partner shall be enjoyed by all his heirs jointly, but does not contain any special provisions, then the heir shall indicate one person to the partnership to exercise such rights. The acts performed by the remaining partners before such person is indicated shall bind the partner's heirs.

§ 2. Any contrary provisions of the deed shall be null and void.

Article 61. § 1. If a partnership is concluded for an indefinite period of time, a partner may terminate the partnership deed six months before the end of a financial year.

§ 2. A partnership concluded for the life of a partner shall be considered as concluded for an indefinite period of time.

§ 3. Termination shall be made in the form of a written declaration which shall be submitted to the remaining partners or the partner authorized to represent the partnership.

Article 62. § 1. During the life of a partnership, a creditor of a partner may obtain the seizure of only those rights enjoyed by the partner by virtue of participation in the partnership which the partner is authorized to dispose of.

§ 2. If, during the last six months, an ineffective execution of a partner's movable property was conducted, then his creditor who obtained, under an executory title, seizure of claims that the partner has in the case of his withdrawal or dissolution of the partnership, may terminate the partnership deed six months before the end of the financial year even if the partnership deed was made for a definite period of time. If the partnership deed provides for a shorter period of notice, the creditor may apply the contractual period.

§ 3. Any contrary provisions of the deed shall be null and void.

Article 63. § 1. Every partner may, for valid reasons, demand the dissolution of partnership by court.

§ 2. However, if a valid reason occurs for one of the partners, the court may, upon application of the remaining partners, decide on the exclusion of this partner from the partnership.

§ 3. Any contrary provisions of the deed shall be null and void.

Article 64. § 1. In spite of death or declaration of bankruptcy of the partner and in spite of termination of the partnership deed by a partner or his creditor, the partnership shall continue between the remaining partners if the partnership deed so provides or if the remaining partners so decide.

§ 2. Such agreement shall be made immediately in the case of death or declaration of bankruptcy, or before the elapse of the period of notice in the case of termination. Otherwise, an heir, official receiver or the partner who terminated the partnership deed, as well as his creditor, may demand that liquidation be conducted.

Article 65. § 1. In the case of the withdrawal of a partner from a partnership, the value of capital share of the partner or his heir shall be determined on the basis of a separate balance sheet taking into account the transfer value of partnership's assets.

§ 2. The following shall be treated as the balance sheet date:

1) in the case of termination – the last day of the financial year in which the period of notice elapsed;

2) in the case of a partner's death or bankruptcy – the day of death or the day of declaration of bankruptcy;

3) in the case of exclusion of partner under a final court decision – the day of filing the suit.

§ 3. The capital share calculated in the manner determined in paragraphs 1 and 2 shall be paid as a sum of money. Things contributed by the partner into the partnership only for use shall be returned in kind.

§ 4. If at settlement the value of the capital share of a withdrawing partner or partner's heir is negative, he shall be obliged to compensate the partnership for the missing value falling to him.

§ 5. The withdrawing partner or partner's heir shall participate in profit or loss from matters yet unfinished; however, they shall have no influence on conducting them. They may, however, demand explanations, accounts and division of profit and loss at the end of every financial year.

Article 66. If, in a partnership consisting of two partners, for one of the partners there occur grounds for dissolution of the partnership, the court may give the other partner the right to take over the partnership's assets imposing a duty to settle with the withdrawing partner, pursuant to Article 65.

Chapter 5. Liquidation

Article 67. § 1. In the cases specified in Article 58, the partnership shall be liquidated unless the partners have agreed a different manner of ending the activity of the partnership.

§ 2. In the case of termination of the partnership deed by partner's creditor or declaration of a partner's bankruptcy, an agreement on the termination of activity of the partnership after the occurrence of grounds for dissolution of partnership shall require the consent of the creditor or official receiver respectively.

Article 68. During liquidation, the provisions on internal and external partnership relations shall apply to the partnership unless the provisions of this Chapter provide otherwise or something else results from the purpose of liquidation.

Article 69. During liquidation, the prohibition of competition shall only apply to persons being the liquidators.

Article 70. § 1. All partners shall be liquidators. Partners may appoint only some from among them to be liquidators, as well as other persons. The resolution shall be unanimous unless the partnership deed provides otherwise.

§ 2. The official receiver shall replace a bankrupt partner.

Article 71. § 1. The registration court may, for valid reasons, upon application of a partner or another person having a legal interest, appoint only some partners, as well as other persons to be liquidators.

§ 2. Any contrary provisions of the deed shall be invalid.

Article 72. A liquidator may be revoked only by a unanimous resolution of partners.

Article 73. § 1. For valid reasons, the registration court may revoke a liquidator upon application of a partner or a person having a legal interest.

§ 2. Only the court may revoke a liquidator who was appointed by the court.

§ 3. Any contrary provisions of the deed shall be invalid.

Article 74. § 1. The registration court shall be notified about the following: opening the liquidation, surnames and forenames of liquidators and their addresses, the manner of representing the partnership by liquidators and any changes in this respect, even if there have been no changes in the existing partnership representation. Every liquidator shall have the right and duty of notification.

§ 2. The notification referred to in paragraph 1 shall be accompanied by specimens of signatures of the liquidators made before a court or certified by a notary.

§ 3. The entry of liquidators appointed by court and deletion of liquidators revoked by court shall be made ex officio.

§ 4. Liquidation shall be conducted under partnership's business name with an additional designation "w likwidacji" ["in liquidation"].

Article 75. If there are several liquidators, they shall be authorized to represent the partnership jointly unless the partners or the court which appointed the liquidators decided otherwise.

Article 76. The matters in which a resolution of liquidators is required shall be decided by a majority of votes unless the partners or the court which appointed the liquidators decided otherwise.

Article 77. § 1. The liquidators shall end the current interests of the partnership, collect receivable debts, fulfil obligations and liquidate assets of the partnership. New interests may be undertaken only in the case if it is necessary to finish the pending matters.

§ 2. In the internal relationships, the liquidators shall be obliged to obey the resolutions of partners. Liquidators appointed by the court shall obey unanimous

resolutions adopted by partners and by persons having legal interest, who caused them to be appointed.

Article 78. § 1. Within the limits of their competence, as specified in Article 77, paragraph 1, liquidators shall have the right to conduct affairs of the partnership and to represent it. Limitation of their competence shall not be effective against third parties.

§ 2. Against third parties acting in good faith, acts undertaken by liquidators shall be considered as liquidation acts.

Article 79. § 1. Opening liquidation shall result in expiration of procuration.

§ 2. During the period of liquidation, procuration shall not be granted.

Article 80. A partner's heirs shall be liable for partnership's obligations incurred in the period of liquidation, pursuant to the provisions on liability for inherited debts.

Article 81. § 1. Liquidators shall draw up balance sheets for the day of opening and ending of the liquidation.

§ 2. Where the liquidation lasts longer than one year, financial statements shall be prepared for the day ending every financial year.

Article 82. § 1. Out of partnership assets, a partnership's obligations shall be paid in the first place, and appropriate amounts shall be left for covering non-enforceable or disputed obligations.

§ 2. The remaining assets of the partnership shall be divided among the partners in accordance with the provisions of partnership deed. If there are no relevant provisions, the partners' contributions shall be repaid. The surplus shall be divided among the partners in the same proportion as their share in profits.

§ 3. Things contributed by a partner only for use by the partnership shall be returned to the partner in kind.

Article 83. If the partnership's assets are not sufficient for repayment of shares and debts, the missing amount shall be divided among the partners in accordance with the provisions of the deed, and if there are no such provisions, in the proportion in which they participate in the loss. In the case of insolvency of one of the partners, the part of the missing amount that falls to him shall be divided among the remaining partners in the same proportion.

Article 84. § 1. Liquidators shall report the end of liquidation and file an application for removing the partnership from the register. In the case of dissolution of partnership without liquidation, the partners shall be under a duty to file the application.

§ 2. A partnership shall be dissolved upon removal from the register.

§ 3. The books and documents of a dissolved partnership shall be deposited with a partner or a third party to keep for a period of at least five years. If the partner or third party dissents, the registration court shall appoint the custodian.

§ 4. Partners and persons having a legal interest shall have the right to inspect the books and documents.

Article 85. § 1. In the case of declaration of bankruptcy of a partnership, it shall be dissolved upon completion of the bankruptcy proceedings; the official receiver shall apply for removal of the partnership from the register.

§ 2. The provision of paragraph 1 shall not apply where the proceedings end with a settlement or are quashed or discontinued for other reasons.

SECTION II. PROFESSIONAL PARTNERSHIP

Chapter 1. General Provisions

Article 86. § 1. A professional partnership shall be a partnership formed by partners with the purpose of practising a liberal profession in a partnership conducting an enterprise under its own business name.

§ 2. The partnership may be formed for the purpose of practising more than one liberal profession unless a separate Act provides otherwise.

Article 87. § 1. In this partnership partners may be exclusively natural persons authorized to practise the liberal professions specified in Article 88 or in a separate Act.

§ 2. Practising a liberal profession may be conditional upon the fulfilment of additional requirements envisaged in a separate Act.

Article 88. Partners in the partnership may be persons authorized to practise the following professions: advocate, pharmacist, architect, building engineer, expert auditor, insurance broker, tax consultant, securities broker, investment adviser, accountant, physician, dental surgeon, veterinary surgeon, notary, nurse, midwife, legal counsel, patent agent, property expert and sworn translator.

Article 89. In matters not regulated in this Section, the provisions on registered partnership shall apply accordingly to professional partnership unless this Act provides otherwise.

Article 90. § 1. The business name of a professional partnership shall include the surname of at least one partner, an additional designation "i partner" ["and partner"] or "i partnerzy" ["and partners"] or "spółka partnerska" ["professional partnership"] and specification of the liberal profession practised in the partnership.

§ 2. In business dealings, it shall be admissible to use the abbreviation "sp. p.".

§ 3. Only a professional partnership may use a business name with the designation "i partner" or "i partnerzy" or "spółka partnerska" and the abbreviation "sp. p.".

Article 91. The deed of a professional partnership shall include:

1) specification of the liberal profession practised by the partners within the partnership;

2) the object of the partnership's activity;

3) surnames and forenames of the partners who bear unlimited liability for partnership's obligations in the case envisaged in Article 95, paragraph 2;

4) if the partnership is represented only by some partners, the surnames and forenames of those partners;

5) business name and seat of the partnership;

6) lifetime of the partnership, if defined;

7) specification of contributions made by each partner and their value.

Article 92. A professional partnership deed shall be performed in writing under the pain of nullity.

Article 93. § 1. An application for registration of a professional partnership by a registration court shall include:

1) business name, seat and address of the partnership, and surnames and forenames of the partners and their addresses or delivery addresses;

2) specification of the liberal profession practised by the partners within the partnership;

3) the object of the partnership's activity;

4) surnames and forenames of the partners who have the right to represent the partnership; this shall not apply in the case where the partnership deed does not envisage limitations of the right of representation by partners;

5) surnames and forenames of procurators or persons appointed members of the management board;

6) surnames and forenames of the partners who bear unlimited liability for obligations of the partnership in the case envisaged in Article 95, paragraph 2.

§ 2. The application for registration of the professional partnership by the registration court shall be accompanied by documents confirming the authorization of each partner to practise the liberal profession.

§ 3. Any changes of the particulars listed in paragraph 1 shall be reported to the registration court.

Article 94. A professional partnership shall come into being upon entry into the register.

Chapter 2. Relationship with Third Parties. Management Board of the Partnership.

Article 95. § 1. A partner shall not bear liability for partnership's obligations arisen in relation to the practising of liberal profession by the remaining partners within the partnership, as well as for partnership's obligations resulting from the actions or default of the persons employed by the partnership under an employment contract or in a different legal relationship, such persons being subordinate to another partner, when performing services connected with the object of activity of the partnership.

§ 2. The partnership deed may envisage that one or more partners agree to bear such liability as a partner of a registered partnership.

Article 96. § 1. Each partner shall have the right to represent the partnership individually unless the deed of partnership provides otherwise.

§ 2. A partner may be deprived of the right to represent the partnership only for important reasons by a resolution adopted by a majority of three quarters of votes in the presence of at least two thirds of the total number of partners. The partnership deed may lay down stricter requirements for the adoption of such resolution.

§ 3. Deprivation of a partner of the right to represent the partnership under paragraph 2 shall take effect upon entry into the register.

Article 97. § 1. The deed of a professional partnership may provide that the management board shall be entrusted with conducting the affairs of and representing the partnership. The provisions of Article 96 shall not apply.

§ 2. The provisions of Articles 201 to 211 and 293 to 300 shall apply accordingly to a management board appointed pursuant to paragraph 1.

Chapter 3. Dissolution of Partnership

Article 98. § 1. The following shall result in dissolution of a partnership:

1) the reasons envisaged in the partnership deed;
2) unanimous resolution of all partners;
3) declaration of partnership's bankruptcy;
4) loss of authorization to practise the liberal profession by all partners;
5) valid court judgment.

§ 2. When only one partner remains in the partnership or if only one partner has the right to practise the liberal profession connected with the object of the partnership's activity, the partnership shall be dissolved no later than upon the elapse of one year from the day when one of these events occurred.

Article 99. The provisions of Articles 59 to 62 and 64 to 66 shall apply in case of:

1) partner's death;
2) declaration of partner's bankruptcy;
3) termination of the partnership deed by a partner or partner's creditor.

Article 100. § 1. If a partner loses the right to practise a liberal profession, he shall withdraw from the partnership no later than at the end of the financial year in which he lost the right to practise the liberal profession.

§ 2. Withdrawal shall occur upon the submission of a written declaration to the management board or the partner authorized to represent the partnership.

§ 3. After ineffective elapse of the period specified in paragraph 1, the partner shall be deemed to have withdrawn from the partnership on the last day of the said period.

Article 101. A partner's heir shall not join the partnership in the place of the deceased partner unless the partnership deed provides otherwise, notwithstanding Article 87.

SECTION III. LIMITED PARTNERSHIP

Chapter 1. General Provisions

Article 102. A limited partnership shall be a partnership whose purpose is to conduct an enterprise under its own business name, in which at least one partner (general partner) has unlimited liability towards the partnership's creditors and at least one partner (limited partner) has limited liability.

Article 103. In the matters not regulated in this Section, the provisions on registered partnership shall apply to limited partnerships unless this Act provides otherwise.

Article 104. § 1. The business name of a limited partnership shall include the surname(s) of one or more general partners and an additional designation spółka komandytowa" ["limited partnership"].

§ 2. In business dealings, it shall be admissible to use the abbreviation "sp. k.".

§ 3. If the general partner is a legal person, the business name of a limited partnership shall include the full business name of that legal person with an additional designation "spółka komandytowa". This shall not preclude the inclusion of surname of a general partner who is a natural person.

§ 4. The surname of a limited partner may not be included in the business name of the partnership. If the surname or business name (name) of the limited partner is included in the partnership's business name, the said limited partner shall have such liability towards third parties as the general partner.

Article 105. The deed of a limited partnership shall include:

1) business name and seat of the partnership;

2) objects of the partnership;

3) lifetime of the partnership, if defined;

4) specification of contributions made by each partner and their value;

5) amounts designating the scope of liability of each limited partner towards the creditors (commandite sum).

Article 106. The deed of a limited partnership shall be made in the form of a notarial deed.

Article 107. § 1. If the limited partner's contribution to the partnership is wholly or partly a non-pecuniary performance, the partnership deed shall determine the object of such performance (contribution in kind), its value, as well as the partner making such non-pecuniary performance.

§ 2. The obligation to perform work or provide services for the benefit the partnership and the remuneration for services performed at the time of partnership's coming into existence cannot constitute the contribution of the limited partner unless the value of his other contributions to the partnership is not lower than the commandite sum.

§ 3. If the general partner is a limited liability company or joint-stock company and the limited partner is a shareholder in this company, the limited partner's con-

tribution cannot consist of his shares in that limited liability company or joint-stock company.

Article 108. § 1. Unless the deed provides otherwise, the value of contribution of a limited partner may be lower than the commandite sum.

§ 2. A decision of the partners to release a limited partner from the duty to make a contribution shall be invalid.

Article 109. § 1. A limited partnership shall come into existence upon entry into the register.

§ 2. The persons acting in the name of the partnership after its formation and before entry into the register shall bear joint and several liability.

Article 110. § 1. An application for registration of a limited partnership by the registration court shall include:

1) business name, seat and address of the partnership;

2) objects of the partnership;

3) surnames and forenames or business names of general partners and, separately, surnames and forenames or business names of limited partners, and, where applicable, the circumstances relative to the limitation of partner's capacity for acts in law;

4) surnames and forenames of the persons authorized to represent the partnership and the manner of representation; where the general partners entrusted some from among their number with conducting the partnership affairs, indication of this circumstance;

5) commandite sum.

§ 2. Any changes of the particulars mentioned in paragraph 1 shall be reported to the registration court.

Chapter 2. Relationships with Third Parties

Article 111. A limited partner shall be liable for the partnership's obligations towards its creditors only up to the amount of commandite sum.

Article 112. § 1. A limited partner shall be released from liability up to the value of contribution made to the partnership.

§ 2. In the case of refunding the contribution, in whole or in part, the liability shall be restored in the amount equal to the value of the refund.

§ 3. In the case of a decrease of partnership's assets as a result of loss, each payment made by the partnership for the benefit of the limited partner before supplementing the contribution to the original value, specified in the partnership deed, shall be considered a refund of the contribution in relation to the creditors. Making such payments shall not require entry into the register.

§ 4. A limited partner shall not be required to refund what he collected as profit on the basis of financial statement unless he acted in bad faith.

Article 113. The decrease of the commandite sum shall not have legal effects against the creditors whose receivable debts arose before such decrease is entered into the register.

Article 114. A person who joins a partnership in the capacity of a limited partner shall also be liable for partnership's obligations which existed at the time when he was entered into the register.

Article 115. If the partnership deed permits the acceptance of a new general partner, an existing limited partner may obtain the status of a general partner or a third party may join the partnership in the capacity of a general partner with the consent of all existing partners.

Article 116. In the case of making a deed of limited partnership with an entrepreneur conducting an enterprise in his own name and on his own account, the limited partner shall be liable for the obligations which arose in the running of such enterprise and existing at the time of entry of the partnership into the register.

Article 117. A partnership shall be represented by the general partners who were not deprived of the right to represent the partnership under the partnership deed or by a valid court decision.

Article 118. § 1. A limited partner may represent the partnership only in the capacity of an attorney.

§ 2. If a limited partner performs an act in law in the name of the partnership, without disclosing his power of attorney, he shall bear unlimited liability for the results of such act against third parties; this shall also apply to representation of a partnership by a limited partner without authorization or beyond the scope of such authorization.

Article 119. The provisions of the deed inconsistent with the provisions of this Chapter shall not be legally effective against third parties.

Chapter 3. Relationships within the Partnership

Article 120. § 1. A limited partner may demand a copy of the annual financial statement and inspect the books and documents in order to verify its reliability.

§ 2. Upon an application of the limited partner, the registration court may, for valid reasons, order that he be granted access, at all times, to the financial statement or be provided with other explanations, as well as allow the limited partner to inspect the books and documents.

§ 3. The partnership deed cannot preclude or limit the powers of the limited partner, referred to in paragraphs 1 and 2.

Article 121. § 1. A limited partner shall have neither the right nor the duty to conduct affairs of the partnership unless the partnership deed provides otherwise.

§ 2. In matters beyond the scope of ordinary acts of the partnership, consent of the limited partner shall be required unless the partnership deed provides otherwise.

§ 3. The limitations referred to in Articles 56 and 57 shall not apply to a limited partner having no right to conduct affairs of the partnership or to represent it unless the partnership deed provides otherwise.

Article 122. If a limited partner transfers all his rights and duties, the acquirer shall not acquire the right to conduct affairs of the partnership.

Article 123. § 1. A limited partner shall participate in profits in proportion to his actual contribution to the partnership unless the partnership deed provides otherwise.

§ 2. The profit for a given financial year falling to a limited partner shall be allocated, in the first place, for supplementing his actual contribution to the agreed amount thereof.

§ 3. In the event of doubts, a limited partner shall participate in loss only up to the agreed amount of the contribution.

Article 124. § 1. Death of a limited partner shall not constitute grounds for dissolution of the partnership. Heirs of a limited partner shall indicate one person for the exercise of their rights. The acts performed by the remaining partners before such person is indicated shall bind the heirs of the limited partner.

§ 2. Division of the share of limited partner's share in the partnership's assets among the heirs shall be effective against the partnership only with the consent of the remaining partners.

SECTION IV. LIMITED JOINT-STOCK PARTNERSHIP

Chapter 1. General Provisions

Article 125. A limited joint-stock partnership shall be a partnership whose purpose is to conduct an enterprise under its own business name, in which at least one partner (general partner) has unlimited liability towards the partnership's creditors and at least one partner is a shareholder.

Article 126. § 1. In matters not regulated in this Section, the following shall apply to limited joint-stock partnerships:

1) as regards the legal relationships of general partners among themselves, with all shareholders and with third parties, as well as in respect of the contributions of such partners to the partnership, save for the contributions towards the initial capital – provisions on a registered partnership accordingly;

2) in remaining matters, accordingly, the provisions on joint-stock company, and in particular the provisions on initial capital, shareholders' contributions, shares, supervisory board and general meeting.

§ 2. The initial capital of a limited joint-stock partnership shall amount to at least 50,000 zloties.

Article 127. § 1. The business name of a limited joint-stock partnership shall include the surname(s) of one or more general partners and an additional designation "spółka komandytowo-akcyjna" ["limited joint-stock partnership"].

§ 2. In business dealings, it shall be admissible to use the abbreviation "S.K.A.".

§ 3. If the general partner is a legal person, the business name of a limited joint-stock partnership shall include the full business name of that legal person with an

additional designation "spółka komandytowo-akcyjna". This shall not preclude the inclusion of surname of a general partner who is a natural person.

§ 4. The surname or business name (name) of a shareholder cannot be included in the partnership's business name. In the case of inclusion of the surname or business name (name) of a shareholder in partnership's business name, such shareholder shall bear the same liability towards third parties as a general partner.

§ 5. Letters and commercial orders issued by a limited joint-stock partnership in paper and electronic form, and also the information on the partnership's websites, shall contain:

1) the business name, seat and address of the partnership;

2) designation of the registration court with which the partnership's documentation is stored and the number under which the partnership is entered into the register;

3) the tax identification number;

4) the amount of initial and paid-up capital.

Article 128. A shareholder shall only be obliged to make the performances specified in the articles.

Chapter 2. Partnership's Coming into Existence

Article 129. The persons signing the articles shall be the promoters of a partnership. The articles shall be signed at least by all general partners.

Article 130. The articles of a limited joint-stock partnership shall include:

1) business name and seat of the partnership;

2) objects of the partnership;

3) lifetime of the partnership if defined;

4) specification of the contributions made by each general partner and their value;

5) amount of initial capital, manner of raising it, nominal value and number of shares, with an indication whether they are registered or bearer shares;

6) number of shares of different kinds and the rights carried by them if different kinds of shares are issued;

7) surnames and forenames or business names of the general partners and their seats, addresses or delivery addresses;

8) organization of the general meeting and supervisory board if this Act or the articles envisage the appointment of supervisory board.

Article 131. The articles of a limited joint-stock partnership shall be drawn up in the form of a notarial deed.

Article 132. § 1. A general partner may make a contribution to a limited joint-stock partnership for the initial capital or other funds.

§ 2. The fact that a general partner makes a contribution for initial capital shall not preclude his unlimited liability for partnership's obligations.

Article 133. § 1. An application for registration of a limited joint-stock partnership by the registration court shall include:

1) business name, seat, and address of the partnership;
2) objects of the partnership;
3) amount of initial capital, number and nominal value of shares;
4) number of preferred shares and the kind of preference if the articles envisage them;
5) indication of what part of the initial capital was paid in before registration;
6) surnames and names or business names of general partners and the circumstances concerning the limitation of their capacity for acts in law, if such circumstances occur;
7) surnames and forenames of the persons authorized to represent the partnership and the manner of representation; where the general partners entrusted only some from among their number with conducting affairs of the partnership, indication of this circumstance;
8) if shareholders make non-cash contributions at the time of formation of the partnership, indication of this circumstance;
9) lifetime of partnership if it is specified.

§ 2. Any changes of the particulars listed in paragraph 1 shall be reported to the registration court.

Article 134. § 1. A limited joint-stock partnership shall come into existence upon entry into the register.

§ 2. The persons who acted in the name of the partnership after its formation and before entry into the register shall be liable jointly and severally.

Chapter 3. Relationships with Third Parties

Article 135. A shareholder shall not be liable for obligations of the partnership.

Article 136. § 1. If the partnership articles permits the acceptance of a new general partner to the partnership, an existing shareholder may obtain the status of a general partner or a third party may join the partnership in the capacity of a general partner, with the consent of all existing general partners.

§ 2. The declaration of a new general partner, designation of the value of his contributions and consent to the tenor of the partnership articles shall require the form of a notarial deed.

§ 3. A new general partner shall be liable for the obligations of the partnership which existed at the time of his entry into the register.

Article 137. § 1. A partnership shall be represented by general partners who were not deprived of the right to represent the partnership under the partnership articles or by a valid court decision.

§ 2. If a general partner is subsequently deprived of the right to represent the partnership, this shall be an amendment to the partnership articles and require the consent of all remaining general partners.

§ 3. A general partner may be deprived of the right to represent the partnership, against his objection, only for valid reasons under a valid court judgment.

§ 4. The objection referred to in paragraph 3 shall be reported to the minutes of the general meeting or made in writing with a notarially certified signature no later than within a month from the day when the general meeting adopted the resolution.

§ 5. The fact that a general partner was deprived of the right to represent the partnership against the objection referred to in paragraphs 3 and 4 shall release this partner from personal liability for partnership's obligations arising from the time of making the relevant entry in the register.

Article 138. § 1. A shareholder may represent the partnership only in the capacity of an attorney.

§ 2. If a shareholder performs an act in law in the name of the partnership, without disclosing his power of attorney, he shall bear unlimited liability for the results of such act against third parties; this shall also apply to representation of a partnership by a shareholder without authorization or beyond the scope of such authorization.

Article 139. The provisions of the articles inconsistent with the provisions of this Chapter shall not be legally effective against third parties.

Chapter 4. Relationships within the Partnership

Article 140. § 1. Each general partner shall have the right and the duty to conduct affairs of the partnership.

§ 2. The partnership articles may provide for one or more general partners with conducting the affairs of the partnership.

§ 3. An amendment to the articles depriving a general partner of the right to conduct affairs of the partnership or granting such right to a general partner who was previously deprived of such right shall require the consent of all remaining general partners.

Article 141. A general partner shall not have the right to conduct such affairs of the partnership as were delegated to the competence of the general meeting or the supervisory board by the provisions of this Section or partnership articles.

Article 142. § 1. A supervisory board may be appointed in limited joint-stock partnership. Where the number of shareholders exceeds twenty-five persons, the appointment of a supervisory board shall be compulsory.

§ 2. The members of the supervisory board shall be appointed or revoked by the general meeting.

§ 3. A general partner or his employee cannot be a member of the supervisory board.

§ 4. If a general partner took up or acquired shares of a limited joint-stock partnership, he shall not exercise the rights attached to such shares when adopting the resolutions referred to in paragraph 2. He cannot act as a proxy of the remaining shareholders at the general meeting when such resolutions are made.

§ 5. The provisions of paragraphs 3 and 4 shall not apply to a general partner who was deprived of the right to conduct affairs of the partnership or to represent it.

Article 143. § 1. The supervisory board shall exercise permanent supervision over the activity of the partnership in all areas of such activity.

§ 2. The provisions of Article 383 shall not apply to the supervisory board of a limited joint-stock partnership. However, the supervisory board may delegate its members to perform temporarily the duties of general partners if none from among the general partners, authorized to conduct affairs of the partnership and to represent it, can perform their activities.

§ 3. The supervisory board may, in the name of the partnership, bring a suit for indemnity against the general partners who were not deprived of the right to conduct affairs of the partnership or to represent it. The provisions of Articles 483 to 490 shall apply accordingly.

Article 144. In a limited joint-stock partnership in which the supervisory board was not appointed, an attorney appointed by a resolution of the general meeting shall represent the partnership in performing the duties specified in Article 143, paragraph 3, and Article 378.

Article 145. § 1. The general meeting may be ordinary or extraordinary.

§ 2. A shareholder and a general partner, even if he is not a shareholder of the limited joint-stock partnership, shall have the right to participate in the general meeting.

§ 3. Every share taken up or acquired by a person who is not a general partner shall give the right to one vote unless the articles provide otherwise. No shareholder can be completely deprived of the right to vote.

§ 4. Every share taken up or acquired by a general partner shall give the right to one vote.

Article 146. § 1. Apart from other matters mentioned in this Section or in the articles, the following shall require a resolution of the general meeting:

1) examination and approval of the report of general partners on the partnership's activity and the partnership's financial statement for the previous financial year;

2) granting vote of acceptance to the general partners conducting affairs of the partnership, confirming the discharge of their duties;

3) granting vote of acceptance to the members of the supervisory board, confirming the discharge of the duties

4) choice of an expert auditor unless the articles provide that this belongs to the competence of the supervisory board;

5) dissolution of partnership.

§ 2. Under pain of nullity, the resolutions of the general meeting shall require consent of all general partners in the following matters:

1) entrusting one or several general partners with conducting the partnership's affairs;

2) division of profits for a financial year in the part falling to the shareholders;

3) transfer or lease of a partnership's enterprise or an organized part thereof, or establishment of the right of usufruct thereof;

4) transfer of partnership's immovable property;
5) increase or decrease of initial capital;
6) issue of bonds;
7) merger or transformation of the partnership;
8) amendment to the articles;
9) dissolution of partnership;
10) other actions envisaged in this Section or in the articles.

§ 3. Under pain of nullity, the resolutions of the general meeting shall require consent of a majority of general partners in the following matters:
1) division of profits for a financial year, in the part falling to the general partners;
2) manner of covering the loss for the previous financial year;
3) other actions envisaged in the articles.

Article 147. § 1. A general partner and a shareholder shall participate in the profits of the partnership in proportion to their contributions to the partnership unless the articles provide otherwise.

§ 2. Unless the articles provide otherwise, a general partner who was not deprived of the right to conduct affairs of the partnership and who receives remuneration for taking the actions listed in Article 137, paragraph 1 and Article 141 shall not have the right to share in the partnership's profits in the part corresponding to his work contributed to the partnership.

Chapter 5. Dissolution and Liquidation of Partnership. Withdrawal of a Partner

Article 148. § 1. The following shall result in dissolution of a partnership:
1) reasons envisaged in the articles;
2) general meeting's resolution on the dissolution of the partnership;
3) declaration of partnership's bankruptcy;
4) death, declaration of bankruptcy or withdrawal of the only general partner unless the articles provide otherwise;
5) other reasons envisaged in the law.

§ 2. Declaration of shareholder's bankruptcy shall not constitute grounds for dissolution of partnership.

Article 149. § 1. Termination of a partnership deed by a general partner and his withdrawal from the partnership shall be admissible if the articles provide so. The provisions concerning registered partnerships shall apply accordingly.

§ 2. A shareholder shall not have the right to terminate a partnership deed.

Article 150. § 1. Unless the provisions of this Section provide otherwise, the provisions on liquidation of a joint-stock company shall apply accordingly to the dissolution and liquidation of a limited joint-stock partnership.

§ 2. All general partners having the right to conduct affairs of the partnership shall be liquidators unless the articles or a resolution of the general meeting, adopted with the consent of all general partners, provide otherwise.

TITLE III. COMPANIES

SECTION I. LIMITED LIABILITY COMPANY

Chapter 1. Company's Coming into Existence

Article 151. § 1. Save as otherwise provided in this Act, a limited liability company may be formed by one or more persons for any legitimate purpose.

§ 2. A limited liability company may not be formed by another sole-shareholder limited liability company as the single promoter.

§ 3. The shareholders shall be liable to make only such performances as are laid down in the company deed.

§ 4. The shareholders shall not be liable for the obligations of the company.

Article 152. The initial capital of a limited liability company shall be divided into shares of equal or unequal nominal value.

Article 153. The company deed shall determine whether a shareholder may have only one share, or more. Where it is permissible for a shareholder to have more than one share, all shares of the initial capital shall be equal and indivisible.

Article 154. § 1. The initial capital of a partnership shall be no less than 5,000 zloties.

§ 2. The nominal value of a share shall be no less than 50 zloties.

§ 3. Shares shall not be taken up at a discount to their nominal value. Where a share is taken up at a premium to its nominal value, the share premium shall be transferred to the supplementary capital.

Article 155. Limited liability companies having their seat abroad may establish branches or agencies on the territory of the Republic of Poland. The terms of forming such branches or agencies are laid down in a separate Act.

Article 156. In a sole-shareholder company the sole shareholder shall exercise the entirety of rights vested in the meeting of shareholders pursuant to the provisions of this Section. Provisions on the meeting of shareholders shall apply respectively.

Article 157. § 1. The deed of a limited liability company shall determine:

1) business name and seat of the company,
2) the object of the company's activity;
3) amount of the initial capital;
4) whether a shareholder may have more than one share;
5) number and nominal value of shares taken up by each shareholder;
6) lifetime of the company, if defined.

§ 2. The deed of a limited liability company shall be executed in the notarial deed form.

Article 158. § 1. Where a contribution to be made into the company for covering a share is in whole or in part a non-cash contribution (contribution in kind), the

company deed shall specifically state the object of this contribution and identify the shareholder making the said contribution in kind and the number and nominal value of shares taken up for the same.

§ 2. Remuneration for services rendered towards the company's coming into existence shall not be disbursed out of moneys paid in towards the initial capital, and neither may it be credited to a shareholder's contribution.

§ 3. The object of contribution shall remain at the sole disposal of the management board.

Article 159. Where special benefits are to be accorded to a shareholder, or where duties to the company other than that of making contributions to pay up the shares are to be imposed on the shareholders, these shall be specified in detail in the company deed on pain of being without effect on the company.

Article 160. § 1. Any name may be chosen as the business name of the company; however, the business name shall include an additional designation "spółka z ograniczoną odpowiedzialnością" ["limited liability company"].

§ 2. It is permissible to use in trading the abbreviation "spóka z o.o." or "sp. z o.o.".

Article 161. § 1. As of performing the deed of company, a limited liability company in organization shall come into existence.

§ 2. The company in organization shall be represented by the management board or by an attorney appointed under a unanimously adopted resolution of shareholders.

§ 3. The liability of the parties referred to in Article 13, paragraph 1 to the company shall cease as of approval of their performance by the meeting of shareholders.

Article 162. In a sole-shareholder company in organization, the sole shareholder may not represent the company. The aforesaid shall not apply to the notification of the company to the registration court.

Article 163. The following shall be required for a limited liability company to come into existence:

1) company deed to be performed;

2) shareholders to make contributions to pay up the initial capital in full, and where a share is to be taken up at a premium to its nominal value, the premium to be likewise contributed;

3) management board to be appointed;

4) supervisory board or audit commission to be appointed, where this Act or the company deed so stipulates;

5) company to be entered in the register.

Article 164. § 1. The management board shall notify the registration court competent for the company seat on the formation of the company in order to have the company entered in the register. The application for registration of the company shall be signed by all members of the management board.

§ 2. Save as otherwise regulated herein, provisions on the National Court Register shall apply to the notification of the company to the registration court on the formation of the company.

§ 3. The registration court shall not refuse to enter the company in the register for minor flaws that are not prejudicial to the interests of the company or to public interest but cannot be removed otherwise than at an unreasonably high cost.

Article 165. Where notification has been found flawed with a defect that is capable of being removed, the registration court shall set for the company in organization a reasonable time in which to remove the defect on pain of refusal of registration.

Article 166. § 1. The application for registration of a limited liability company by the registration court shall state:

1) business name, seat and address of the company;

2) the object of the company's activity;

3) amount of initial capital;

4) whether a shareholder may have more than one share;

5) surnames and forenames and addresses of the management board members and the manner of representing the company;

6) surnames and forenames of the supervisory board members or audit commission members, where appointment of the supervisory board or audit commission is required under this Act or under the company deed;

7) where shareholders make non-cash contributions to the company, annotation to that effect;

8) lifetime of the company, if defined;

9) where the company deed provides for a specific paper in which company announcements are to be made, the designation of the same.

§ 2. The notification of a sole-shareholder company by the registration court shall also state the surname and forename or business name and the seat and address of the sole shareholder, likewise an annotation that he is the sole shareholder of the company.

§ 3. The provision of paragraph 2 shall apply respectively where the sole shareholder has acquired all shares in the company upon registration of the company.

Article 167. § 1. The following shall be appended to the company's notification:

1) company deed;

2) statement by all members of the management board that all shareholders made full contributions towards the initial capital;

3) where members of company bodies are appointed otherwise than under the notarial deed wherein the company deed is contained, proof of appointment of these bodies and specification of their members.

§ 2. The list of shareholders signed by all members of the management board, stating their surnames and forenames or business names (names) and number and nominal value of shares held by each, shall be submitted together with the notification.

§ 3. Appended to the notification of company and notification of changes in the list of management board members shall be specimen signatures of the management board members, performed before the court or certified for authenticity by a notary.

Article 168. The management board shall notify the registration court of any and all changes in the particulars referred to in Article 166, paragraphs 1 and 2 for the purpose of having them entered in the register or disclosed in register files.

Article 169. Failing notification of the formation of a company to the registration court within six months from the date on which the company deed was entered into, or where the decision of the court refusing registration has become final, the company deed shall terminate.

Article 170. § 1. Failing notification of the company to the registration court within the time limit set forth in Article 169, or where the decision of the court refusing registration has become final, and should the company in organization be incapable of returning forthwith all contributions made, or of settling in full receivable debts of third parties, the management board shall liquidate the company. If the company in organization has no management board, the meeting of shareholders or the registration court shall appoint a liquidator or liquidators.

§ 2. The provisions on liquidation of a company shall apply respectively to the liquidation of the company in organization.

§ 3. The liquidators shall make a single announcement on the opening of liquidation proceedings, summoning creditors to present their receivable debts within one month from the date of the announcement.

§ 4. The company in organization shall be dissolved on the day on which the meeting of shareholders has approved the liquidation report.

§ 5. Registration matters relating to the liquidation of a company in organization shall come under the registration court competent for the company's seat.

Article 171. Upon registration of the company, the management board shall, within two weeks, file with the competent revenue office a copy of the company deed certified by the management board, indicating the court with which the company was registered and the date and number of registration.

Article 172. § 1. Should, upon registration of the company, defects due to noncompliance with the provisions of law be disclosed, the registration court shall, either ex officio or on motion of parties having legal interest therein, instruct the company to remove the defects and shall set a time limit proper for this purpose.

§ 2. Failing compliance by the company with the instructions referred to in paragraph 1, the registration court may impose fines under the rules laid down in the National Court Register provisions.

Article 173. § 1. Where all shares in the company are vested in the sole shareholder or in the sole shareholder and the company, any declaration of intent made by the shareholder to the company shall be in the written form on pain of invalidity, save as otherwise provided in this Act.

§ 2 to § 3. Repealed.

Chapter 2. Rights and Duties of Shareholders

Article 174. § 1. Save as otherwise provided in this Act or in the company deed, the shareholders shall have equal rights and equal duties in the company.

§ 2. Where the company deed provides that certain shares shall carry special rights, such rights shall be defined in the deed of company (preference shares).

§ 3. Preference may relate in particular to the voting right, right to dividend, or manner of participation in the distribution of assets on liquidation of the company. Preference as to vote shall be granted only to shares of equal nominal value.

§ 4. Preference as to vote shall not vest in the entitled person more than three votes per one share. Preference as to dividend shall not infringe the provisions of Article 196.

§ 5. The company deed may make the granting of special rights contingent upon making certain performances for the company, the elapse of a certain period of time, or fulfilment of a certain condition.

§ 6. Neither bearer documents, nor registered documents, nor documents to order shall be issued in respect of shares or rights to the company's profit.

Article 175. § 1. Where the value of non-cash contributions was substantially overestimated relative to their transfer value as at the company deed execution date, the shareholder who made the said contribution and those management board members who, while aware of this, applied for the registration of the company, shall be liable jointly and severally to make up the deficit to the company.

§ 2. The shareholder and management board members may not be released from the duty referred to in paragraph 1.

Article 176. § 1. Where a shareholder is to be put under the obligation of providing certain recurring non-pecuniary performances, the type and extent of such performances shall be designated in the company deed.

§ 2. The company shall pay the shareholder's remuneration for these performances for the company even when its financial statements show no profit. The said remuneration shall not exceed the prices or rates prevailing in business.

§ 3. Save as otherwise provided in the company deed, in the case referred to in paragraph 1, the share, or its part or fraction, shall not be transferred or encumbered otherwise than with the company's approval referred to in Article 182.

Article 177. § 1. The company deed may put shareholders under the obligation of making additional capital payments up to a certain numerically designated amount relative to their shares.

§ 2. The additional capital payments shall be administered on and paid by the shareholders proportionally to their shares.

Article 178. § 1. The amount and due date of the additional capital payments shall be determined by a resolution of shareholders, if and as required. Unless otherwise provided in the company deed, provisions of paragraph 2 and Article 179 shall apply to the additional capital payments.

§ 2. The shareholders' failure to make the additional capital payment within the prescribed time limit shall give rise to liability to statutory interest; the company may also claim relief for the damage caused by the delay.

Article 179. § 1. Additional capital payments may be refunded to shareholders if not needed for covering a loss shown in the financial statement.

§ 2. Additional capital payments may be refunded on the elapse of one month from the day on which the proposed refund was announced in the paper chosen for the company's announcements.

§ 3. The refund shall be made in a fair way to all shareholders.

§ 4. Refunded capital payments shall not be taken into account when new additional capital payments are called.

Article 180. The transfer of a share or of a part or fraction thereof, likewise pledging the same, shall be executed in writing, with the signatures notarially certified.

Article 181. § 1. Where under the company deed a shareholder is allowed only one share, the company deed may admit the transfer of a part of share.

§ 2. The division shall not result in shares of less than 50 zloties being created.

Article 182. § 1. The company deed may make the transfer of a share or a part or fraction thereof, or pledging the same, contingent upon the consent of the company, or otherwise restricted.

§ 2. Where the transfer is contingent upon the consent of the company, provisions of paragraph 3 to 5 shall apply unless the company deed otherwise stipulates.

§ 3. The management board shall give its consent in writing. Should such consent be refused, the registration court may permit the transfer if important reasons exist.

§ 4. In the case referred to in paragraph 3, the company may propose an alternative acquirer within such time limit as the registration court may set. Failing agreement, the registration court shall set the transfer price and time of payment at the request of the shareholder or of the company, upon inviting the expert opinion, if and as necessary.

§ 5. Failing timely payment of the purchase price by the person indicated by the company, the shareholder may freely dispose of his share or a part or fraction thereof, unless he refused to accept the payment offered.

Article 183. § 1. The company deed may limit or exclude heirs' right to join the company in the place of a deceased shareholder. In such a case, the company deed shall determine the terms of paying off such heirs, on pain of invalidity of the limitation or exclusion.

§ 2. The company deed may exclude or specifically limit the division of shares among heirs, where the deceased shareholder had more than one share.

§ 3. Where under the company deed the shareholder was allowed only one share, this share may be divided among the heirs unless the company deed excludes or specifically limits the manner of dividing the share among the heirs. The division shall not result in shares of less than 50 zloties being created.

Article 183[1]. The company deed may limit or exclude the right of a shareholder's spouse to join the company in the event that a share or shares fall under marital property co-ownership.

Article 184. § 1. Beneficial co-holders of a share or shares shall exercise their rights in the company through a common representative; they shall be liable jointly and severally for share-related performances.

§ 2. Where the beneficial co-holders have not indicated a common representative, the company may make statements to any of them.

Article 185. § 1. Where a share to be sold under execution is, under the company deed, transferable only subject to the consent of the company or its transferability is otherwise limited, the company is entitled to present a person willing to acquire the share at such price as the registration court may determine upon inviting expert opinion, if and as required.

§ 2. In the case referred to in paragraph 1, the company shall, within two weeks of having been notified by the registration court of the sale order, apply for valuation of the share under the said procedure.

§ 3. Failing application for valuation of the share by the company within the time limit defined in paragraph 2, or should the person indicated by the company fail to pay the set price to the court executive officer within two weeks of notification of the purchase price to the company, the shares shall be sold pursuant to the procedure laid down in the provisions on execution.

§ 4. The provisions of paragraphs 1 to 3 shall apply respectively to the transfer of a part or fraction of share.

Article 186. § 1. Where a share or part thereof has been transferred, the acquirer shall be liable to the company, jointly and severally with the transferor, for outstanding performances due to the company under the transferred share or transferred part of a share. This provision shall apply equally to the transfer of a fraction of a share.

§ 2. Claims of the company against the transferor arising from the performances referred to in paragraph 1 shall be barred by limitation after three years from the date on which a notification of the transfer of share or of a part or fraction of share was given to the company.

Article 187. § 1. The transfer of a share or, as the case may be, of part or fraction thereof to another person, likewise the creation of a pledge or usufruct thereon, shall be notified by the interested parties to the company together with a proof of the transfer or of creation of the pledge or usufruct. The transfer of a share, or, as the case may be, of part or fraction thereof, likewise the creation of a pledge or usufruct thereon, shall be effective against the company as of receipt by the company of a notification to this effect from one of the interested parties together with the proof of performance of the act.

§ 2. The company deed may provide that the pledgee or usufructuary be authorized to exercise his voting right.

Article 188. § 1. The management board shall keep a register of shares wherein there shall be entered the surname and forename or business name and seat of each shareholder, his address, number and nominal value of his shares, the creation of pledge or usufruct and the exercise of voting right by the pledgee or usufructuary, likewise any and all changes relating to the shareholders and the shares to which they are entitled.

§ 2. Each shareholder may examine the register of shares.

§ 3. Each time an entry has been made, the management board shall submit to the registration court a new list of shareholders signed by all management board members, showing the number and nominal value of shares held by each shareholder and recording the creation of a pledge or usufruct.

Article 189. § 1. Save as otherwise provided in this Section, throughout the lifetime of the company no full or partial refund of contributions shall be made to the shareholders.

§ 2. The shareholders shall not receive, on whatever account, payments out of these company's assets which are necessary for the initial capital to be fully paid up.

Article 190. The shareholder shall not collect interest on his contributions or on the shares to which he is entitled.

Article 191. § 1. The shareholder shall be entitled to participate in such profit shown in financial statements as may be allotted under a resolution of a meeting of shareholders to distribution among shareholders, subject to the provision of Article 195, paragraph 1.

§ 2. The company deed may provide for a different manner of profit distribution, subject to Articles 192 to 197.

§ 3. Save as otherwise provided in the company deed, distributable profit shall be distributed in proportion to the number of shares held.

Article 192. An amount distributable among the shareholders shall not exceed the profit for the last financial year increased by undistributed profits for previous years and by distributable amounts transferred from the supplementary capital and reserve capitals created out of profit. This amount shall be reduced by uncovered losses, own shares, and by amounts which, by force of this Act or of the company deed, shall be transferred from the last financial years' profit to the supplementary capital or reserve capitals.

Article 193. § 1. Entitled to dividend for a given financial year shall be those shareholders, who were entitled to shares on the date of the resolution on distribution of profit.

§ 2. The company deed may authorize the meeting of shareholders to determine the day as at which the list of shareholders entitled to dividend for a given financial year is established (the dividend day).

§ 3. The dividend day shall be fixed no later than within two months from the adoption of the resolution referred to in Article 191, paragraph 1.

§ 4. The dividend shall be disbursed on the day specified in a resolution of shareholders. Where a resolution of shareholders does not determine such a day, the dividend shall be disbursed on the day specified by the management board.

Article 194. The company deed may authorize the management board to pay shareholders an advance towards expected end-of-financial-year dividend, if the company has sufficient means for making this payment.

Article 195. § 1. The company may pay an advance towards the expected dividend if its approved financial statement for the previous financial year shows a profit. The advance payment shall be no higher than half of the profit earned since the end of the previous financial year, increased by reserve capitals created out of profit which the management board may employ in paying out advances, and reduced by uncovered losses and own shares.

§ 2. The provision of Article 197 shall not apply to the advance towards the expected dividend.

Article 196. A dividend accorded a beneficial holder of a share preferred as to dividend shall not exceed by more than half the dividend attributable to non-preference shares (preference dividend). Shares preferred as to dividend shall not enjoy the priority of satisfaction before the other shares, unless otherwise provided in the company deed.

Article 197. Where the company deed acknowledges the right to preference dividends not paid out in preceding years, the maximum number of years for which such dividend may be paid out of successive years' profits shall be determined; the said period shall not exceed five years.

Article 198. § 1. A shareholder who received a disbursement contrary to law or the provisions of the company deed (recipient) shall return the same. Those members of the company's bodies who are responsible for this disbursement having been made shall be liable for a refund of the same to the company jointly and severally with the recipient.

§ 2. Where the disbursement cannot be repossessed either from the recipient or from those responsible for its having been made, shareholders shall be liable, in proportion to their shares, for the deficit in the company's assets required for initial capital to be fully paid up. Sums impossible to be repossessed from individual shareholders shall be distributed among the remaining shareholders in proportion to shares held.

§ 3. The obligors shall not be released from the liability referred to in paragraphs 1 and 2.

§ 4. The claims referred to in paragraphs 1 and 2 shall be barred by limitation after three years from the date of disbursement, except for claims against the recipient who was aware of the disbursement received being unlawful.

Article 199. § 1. Shares shall not be redeemed other than upon the company being entered in the register and only where the company deed so provides. A share may be redeemed either with the shareholder's consent, through acquisition thereof by the company (voluntary redemption), or without the shareholder's consent (com-

pulsory redemption). The grounds and procedure for compulsory redemption shall be determined in the company deed.

§ 2. The redemption of a share shall require a resolution of the meeting of shareholders wherein there shall be stated in particular the legal grounds for the redemption and the amount of compensation due to the shareholder for the redeemed share. This compensation shall be, in the case of compulsory redemption, no lower than the value of net assets, as shown in the financial statements for the last financial year, attributable to the share, reduced by an amount distributable to shareholders. In the case of compulsory redemption the resolution shall also include a statement of grounds.

§ 3. Where the shareholder has given consent, a share may be redeemed without compensation.

§ 4. The company deed may provide for a share to be redeemed without the resolution of meeting of shareholders, should a certain event occur. In such an event, the provisions on compulsory redemption shall apply.

§ 5. Where the event identified in the company deed, as referred to in paragraph 4, has occurred, the management board shall forthwith adopt a resolution on initial capital reduction, save where the share is redeemed out of net profit.

§ 6. The redemption of shares out of net profit shall not necessitate the reduction of initial capital.

§ 7. Where a redemption of shares necessitates a reduction of the initial capital, the redemption shall take effect as of the initial capital being reduced.

Article 200. § 1. The company shall not take up or acquire or take on pledge its own shares. This prohibition shall apply equally to the taking up or acquisition of shares or to the taking of the same on pledge by a subsidiary company or cooperative. Acquisition under execution in satisfaction of those claims of the company which cannot be satisfied from a shareholder's other estate, acquisition for the purpose of redemption of shares, and acquisition or taking up shares in other cases provided in this Act shall be the exceptions.

§ 2. Failing transfer of shares acquired under execution pursuant to paragraph 1 within 1 year from their acquisition, such shares shall be redeemed pursuant to provisions on initial capital reduction unless the company has set up a special reserve capital with a view to redeeming shares.

§ 3. Own shares shall be shown in the balance sheet under a separate item of own capital in negative figures.

§ 4. The provisions of paragraphs 1 to 3 shall apply respectively to part of a share or fraction of a share.

Chapter 3. Company Bodies

Division 1. The Management Board

Article 201. § 1. The management board shall manage the affairs of the company and represent the company.

§ 2. The management board shall be composed of one or more members.

§ 3. Appointments to the management board may be made from among the shareholders or from among outsiders.

§ 4. Save as otherwise provided in the company deed, management board members shall be appointed and recalled under a resolution of shareholders.

Article 202. § 1. Save as otherwise provided in the company deed, the term of office of a management board member shall expire on the day on which the meeting of shareholders is convened to approve financial statements for the first full financial year in which the member served on the management board.

§ 2. If a management board member is appointed for a term of more than one year, that management board member's term shall expire on the day on which the meeting of shareholders is convened to approve financial statements for the last full financial year in which the member served on the management board, unless the company deed provides otherwise.

§ 3. Where the company deed provides for the management board members to be appointed for a common term of office, the term of office of that management board member who was appointed before the elapse of a given term of the management board shall expire at the same time as those of the remaining members, unless the company deed otherwise provides.

§ 4. The term of office of the management board member shall also expire by the member's death, resignation, or removal from the board.

§ 5. Provisions on the notice of termination of a contract of mandate by the mandatory shall apply respectively to the resignation by the management board member.

Article 203. § 1. A management board member may be recalled at any time by a resolution of shareholders. This shall not deprive him of the right to make claims arising under relationship of employment or under another legal relationship pertaining to the performance of management board function.

§ 2. The company deed may contain other provisions, it may, in particular, restrict the right of recalling a management board member to recalling for important reasons.

§ 3. Save as otherwise provided in the deed of recall, the recalled member of the management board may and shall, pending preparation of the management board report on the company's activities and of financial statements, furnish explanations covering the period in which he performed the function of management board member and participate in the meeting of shareholders which approves the reports referred to in Article 231, paragraph 2, subparagraph 1.

Article 204. § 1. The management board member's right to represent the company shall encompass all court and out-of-court acts of the company.

§ 2. The management board member's rights to conduct the company's affairs and represent the company cannot be subjected to limitations effective against third parties.

Article 205. § 1. Where the management board consists of more members than one, the manner of representing the company shall be determined in the company

deed. In the absence of any provisions in this matter in the company deed, statements shall be made in the name of the company by two members of the management board acting jointly, or by one management board member acting jointly with the procurator.

§ 2. Statements and letters addressed to the company may be made to and served upon one member of the management board or the procurator.

§ 3. The provisions of paragraphs 1 and 2 shall not preclude the establishment of a one-person or joint procuration, nor shall they restrict those rights of procurators which arise from the provisions on procuration.

Article 206. § 1. Letters and commercial orders issued by a company in paper and electronic form, and also the information on the company's websites, shall contain:

1) the business name, seat and address of the company;

2) designation of the registration court with which the company's documentation is stored and the number under which the company is entered into the register;

3) the tax identification number;

4) the amount of initial capital.

§ 2. Repealed.

§ 3. The provision of paragraph 1 shall apply respectively to the limited liability company's branch with its seat abroad.

Article 207. Members of the management board shall, in their relationship with the company, be subject to the limitations set forth in this Section, in the company deed and, unless otherwise provided in the company deed, in resolutions of shareholders.

Article 208. § 1. Where the management board consists of more than one person and unless otherwise stipulated in the company deed, the provisions of paragraphs 2 to 8 shall apply to the relationships among the management board members.

§ 2. Each management board member shall have the duty and right to manage the affairs of the company.

§ 3. Each management board member may, without a previous resolution of the management board, handle matters falling within the ordinary course of business of the company.

§ 4. Notwithstanding the aforesaid, if before disposal of the matter referred to in paragraph 3 at least one of the remaining members of the management board objects to prosecuting this matter, or where such matter extends beyond the ordinary course of business of the company, a previous resolution of the management board shall be required.

§ 5. Resolutions of the management board may be adopted if all management board members have been duly notified of the management board meeting. The management board shall adopt resolutions by an absolute majority of votes.

§ 6. The consent of all management board members shall be required for the appointment of a procurator.

§ 7. Any member of the management board may revoke the procuration.

§ 8. The company deed may provide that, should an equal number of votes be cast, the president of the management board shall have the casting vote and it may vest in the president of the management board certain powers in respect of directing the work of the management board.

Article 209. In the event of a conflict of interest between the company and a management board member, or the member's spouse, relations and in-laws within the second degree and persons with whom the member has a personal relationship, the management board member shall abstain from participating in the determination of such matters and he may request that an entry be made in the minutes to that effect.

Article 210. § 1. In a contract between the company and a management board member, likewise in a dispute with a management board member, the company shall be represented by the supervisory board or by an attorney appointed under a resolution of shareholders' meeting.

§ 2. Where the shareholder referred to in Article 173, paragraph 1, is at the same time the sole member of the management board, the provision of paragraph 1 shall not apply. Any act in law between this shareholder and the company represented by him/her shall require the form of a notarial deed. The notary shall at all times notify the registration court of having performed such an act in law by means of sending an excerpt copy of the notarial deed.

Article 211. § 1. The management board member shall not, without the consent of the company, involve himself in a competitive business or participate in a competitive partnership or company, whether as partner in a civil partnership or another partnership, or as member of a governing body of a company, nor shall he be involved in another competitive legal person by sitting on its body. This prohibition shall extend also to having interests in a competitive company, in the event that the management board member should hold 10 per cent of or more shares in it or have the right of appointing at least one member of its management board.

§ 2. Save as otherwise provided in the company deed, consent shall be given by the body empowered to appoint the management board.

Division 2. Supervision

Article 212. § 1. The right of supervision shall attach to each shareholder. In exercise thereof, the shareholder or the shareholder acting jointly with a person duly authorized by him may at any time inspect the books and documents of the company, prepare a balance sheet for his purposes, or call on the management board to furnish explanations.

§ 2. The management board may refuse to furnish the shareholder with explanations and give him access to the books and documents of the company if there are reasonable grounds to believe that the shareholder will use the same for purposes contrary to the interests of the company, thereby severely injuring the company.

§ 3. In the event referred to in paragraph 2, the shareholder may request that the matter be determined by the resolution of shareholders. The resolution shall be adopted within one month from making the request.

§ 4. The shareholder who has been refused explanations or access to the books and documents of the company may file with the registration court an application for an order binding the management board to furnish explanations or make available the books and documents of the company. The application shall be filed within seven days from receipt of the notification of resolution or, failing adoption of shareholders' resolution within the time limit defined in paragraph 3, from elapse of said time limit.

Article 213. § 1. The company deed may appoint the supervisory board or audit commission, or the both bodies.

§ 2. In companies with an initial capital of more than 500,000 zloties and with more than twenty five shareholders, there shall be the supervisory board or audit commission.

§ 3. Where the supervisory board or audit commission has been appointed, the company deed may exclude or limit personal supervision by shareholders.

Article 214. § 1. A management board member, procurator, liquidator, head of branch or establishment, likewise chief accountant who is an employee of the company, legal counsel, or advocate shall not at the same time sit on the supervisory board or the audit commission.

§ 2. The provision of paragraph 1 shall apply equally to other persons reporting directly to a management board member or liquidator.

§ 3. The provision of paragraph 1 shall apply respectively to members of the management board and liquidators of a subsidiary company or cooperative.

Article 215. § 1. The supervisory board shall be composed of no less than three members appointed and recalled by a resolution of shareholders.

§ 2. The company deed may provide for a different manner of appointing and recalling supervisory board members.

Article 216. § 1. Members of the supervisory board shall be appointed for a year's term, unless the company deed otherwise stipulates.

§ 2. Members of the supervisory board may be recalled at any time by a resolution of shareholders.

Article 217. The audit commission shall be composed of no less than three members appointed and recalled according to the same rules as the supervisory board members.

Article 218. § 1. Save as otherwise provided in the company deed, the term of office of the management board members and audit commission members shall expire on the day of on which a meeting of shareholders has convened to approve the financial statement for the first full financial year in which the members discharged their functions.

§ 2. Where supervisory board members and audit commission members are appointed for a term of more than one year, their terms of office shall expire on the

day of a meeting of shareholders held to approve the financial statements for the last full financial year in which the members discharged this function.

§ 3. The provisions of Article 202, paragraphs 3 to 5 shall apply respectively.

Article 219. § 1. The supervisory board shall exercise day-to-day supervision over the performance of the company in all areas of the company's activities.

§ 2. The supervisory board may not give any binding instructions to the management board as to the running of the company's business.

§ 3. Special duties of the supervisory board shall include appraising the reports referred to in Article 231, paragraph 2, subparagraph 1 to the extent of their conformity with books and documents and with the actual state of affairs, and management board motions on the distribution of profit or covering loss, as well as submitting to the meeting of shareholders annual written reports on the findings of these appraisals.

§ 4. The supervisory board may, for purposes of discharging its duties, inspect all documents of the company, request reports and explanations from the management board and employees, and review the position of the company's assets.

§ 5. Each supervisory board member may exercise the right of supervision independently, unless the company deed otherwise provides.

Article 220. § 1. The company deed may extend the powers of the supervisory board, in particular by providing that the management board must obtain the consent of the supervisory board prior to performing acts designated in the company deed and it may vest in the supervisory board the right of suspending certain or all members of the management board for important reasons.

Article 221. § 1. The duties of the audit commission shall include reviewing the reports referred to in Article 231, paragraph 2, subparagraph 1 and management board motions on distribution of profit and covering loss, likewise reporting to the meeting of shareholders annually, in writing, on the findings of this review, pursuant to the procedures and to the extent determined for the performance of these acts by the supervisory board.

§ 2. Where the company has no supervisory board, the company deed may extend the duties of the audit commission.

Article 222. § 1. The supervisory board shall adopt resolutions if at least half of its members are present at the meeting and all members were invited. The company deed may set more rigorous requirements as to a supervisory board quorum.

§ 2. The progress of each supervisory board meeting shall be recorded in its minutes.

§ 3. The company deed may provide that supervisory board members may take part in adopting supervisory board resolutions by casting their votes in writing through another supervisory board member. The casting of a vote in writing shall not apply to matters put on the agenda during the meeting of the supervisory board.

§ 4. It shall be permissible for the supervisory board to adopt resolutions under the voting in writing procedure or by using means of direct communication over dis-

tance only if the company deed so provides. The resolution shall be valid if all members of the supervisory board were notified of the contents of the draft resolution.

§ 5. The adopting of resolutions under the procedure identified in paragraphs 3 and 4 shall not apply to the election of the chairperson and deputy chairperson of the supervisory board, appointment of a management board member and recalling and suspending the said persons.

§ 6. The meeting of shareholders may pass supervisory board rules wherein the organization and work procedures of the supervisory board shall be laid down. The meeting of shareholders may authorize the supervisory board to adopt its own rules.

§ 7. The provisions of paragraphs 1 to 6 shall apply respectively to the audit commission.

Article 223. The registration court may, at the request of a shareholder or shareholders representing no less than one tenth of the initial capital, having called on the management board to make a statement, appoint a subject authorized to examine financial statements to audit the accounts and activities of the company.

Article 224. Members of the company bodies shall furnish the expert auditor with such explanations as he may demand and allow him to inspect books and documents of the company, check cash at hand and make an inventory of the assets and liabilities of the company and they shall give him assistance required to that end.

Article 225. The expert auditor shall submit his report to the registration court which shall forward a copy of the same to the person who requested the audit of the company's accounts and operations and to the management board and the supervisory board or audit commission. The full text of the report shall be read at the next meeting of shareholders.

Article 226. § 1. The registration court shall determine the expert auditor's remuneration.

§ 2. The costs of the audit of the company's accounts and activities shall be borne by the requesting party.

§ 3. Should the audit referred to in paragraph 2 expose abuse, actions prejudicial to the company, or flagrant infringement of the law or the company deed, the person who requested the audit may claim from the company refund of the costs of thereof.

Division 3. Meeting of Shareholders

Article 227. § 1. Resolutions of shareholders shall be adopted at a meeting of shareholders.

§ 2. Resolutions of shareholders may be adopted without convening a meeting of shareholders if all shareholders consent in writing to the resolution to be adopted, or to voting in writing.

Article 228. In addition to other matters identified in this Section or in the company deed, a resolution of shareholders shall be required for:

1) examination and approval of the management board's report on the company's activities and of the financial statement for the preceding financial year, likewise for granting a vote of acceptance to members of company bodies confirming the discharge of their duties;

2) decision in respect of claims for making good on damage inflicted through the formation of the company or exercise of management or supervision;

3) transfer and lease of an establishment or an organized part thereof and establishment of a limited right in rem thereon;

4) acquisition and transfer of an immovable property, perpetual usufruct, or share in an immovable property, unless the company deed provides otherwise;

5) refund of additional capital payments;

6) concluding a contract referred to in Article 7.

Article 229. Any contract for acquisition for the company, for a price in excess of one fourth of the initial capital but no lower than 50,000 zloties, of an immovable property or interest therein or of fixed assets, if entered into before the elapse of two years from registration of the company, shall require a resolution of shareholders, unless the contract was provided for in the deed of company.

Article 230. Save as otherwise provided in the deed of company, disposing of a right or, as the case may be, contracting an obligation to make a performance of a value twice in excess of the initial capital shall require a resolution of shareholders. The provision of Article 17, paragraph 1, shall not apply.

Article 231. § 1. An ordinary meeting of shareholders shall be held no later than six months after the end of each financial year.

§ 2. The following matters shall come before the ordinary meeting of shareholders:

1) examination and approval of the management board's report on the company's activities and of the financial statement for the preceding financial year;

2) adoption of resolution on the distribution of profit or covering loss, unless these matters have been excluded from the competence of the meeting of shareholders pursuant to Article 191, paragraph 2;

3) granting vote of acceptance to members of company bodies confirming the discharge of their duties.

§ 3. The provision of paragraph 2, subparagraph 3 shall apply to all those persons who in the recent financial year sat as members on the management board, supervisory board or audit commission. Those members of company bodies whose terms of office expired before the day of a meeting of shareholders may take part in the meeting of shareholders, inspect the management board report and financial statements including a copy of the supervisory board's or audit commission's report and expert auditor's report and present their written comments thereon. A request for the exercise of these rights shall be submitted to the management board in writing no later than one week before the meeting of shareholders.

§ 4. Voting in writing on the matters referred to in paragraphs 2 and 3 is hereby excluded.

§ 5. The ordinary meeting of shareholders may also address the examination and approval of the financial statement of a capital group within the meaning of the accounting provisions and matters other than those listed in paragraph 2.

Article 232. An extraordinary meeting of shareholders shall be called in the circumstances referred to in this Section or in the company deed, also in the event that bodies or persons authorized to summon meetings should find this appropriate.

Article 233. § 1. Where the balance sheet prepared by the management board shows a loss in excess of the sum total of the supplementary and reserve capitals and half of the initial capital, the management board shall forthwith summon a meeting of shareholders with the object of adopting a resolution on the continued existence of the company.

§ 2. The provision of paragraph 1 shall apply respectively where the company's balance sheet was prepared pursuant to Articles 223 to 225.

Article 234. § 1. Meetings of shareholders shall be held in the seat of the company, unless another place on the territory of the Republic of Poland is indicated in the company deed.

§ 2. A meeting of shareholders may also be held at another location on the territory of the Republic of Poland subject to the written consent of all shareholders.

Article 235. § 1. A meeting of shareholders shall be called by the management board.

§ 2. The supervisory board and the audit commission may call an ordinary meeting of shareholders, should the management board fail to do so by the date stipulated in this Section or in the company deed, and an extraordinary meeting of shareholders, if they should find it appropriate and if the management board failed to call a meeting of shareholders within two weeks from the date of the supervisory board's or audit commission's request to this effect.

§ 3. The company deed may also confer the right referred to in paragraph 2 upon other persons.

Article 236. § 1. A shareholder or shareholders representing at least one-tenth of the initial capital may demand that an extraordinary meeting of shareholders be summoned, likewise that certain issues be put on the agenda of the next meeting of shareholders' agenda. A request to this effect shall be submitted in writing to the management board no later than one month before the proposed date of meeting of shareholders.

§ 2. The company deed may confer the right referred to in paragraph 1 upon shareholders representing less than one tenth of the initial capital.

Article 237. § 1. Where an extraordinary meeting of shareholders has not been summoned within two weeks from the submission of the request to the management board, the registration court may, upon inviting a statement from the management board, authorize the shareholders who made the request to summon an extraordinary meeting of shareholders. The court shall appoint the chairperson of this meeting of shareholders.

§ 2. The meeting of shareholders referred to in paragraph 1 shall adopt a conclusive resolution as to whether the company shall or shall not bear the costs of summoning and holding this meeting of shareholders.

§ 3. The decision of the registration court shall be cited in notices of the extraordinary meeting of shareholders referred to in paragraph 1.

Article 238. § 1. A meeting of shareholders shall be summoned by registered mail or courier service despatches, sent no later than two weeks before the date of the meeting of shareholders. A notice may be sent to a shareholder by electronic mail in lieu of a registered mail or courier service despatch provided the shareholder has previously consented to this in writing and indicated an address to which to send the notice.

§ 2. The invitation to attend shall state the date, time and venue of the meeting of shareholders and a detailed agenda. In the event of a proposed amendment to the company deed, pertinent elements of the substance of the proposed amendments shall be indicated.

Article 239. § 1. No resolution shall be adopted on a matter not included in the agenda, except where the entire initial capital is represented at the meeting of shareholders and none of those present have objected to adopting the resolution.

§ 2. A motion for calling an extraordinary meeting of shareholders and motions on the order of proceedings may be adopted even if not included in the agenda.

Article 240. Resolutions may be adopted despite the meeting of shareholders not having been formally convened where the entire initial capital is represented and none of those present have objected to holding the meeting of shareholders or putting certain matters on the agenda.

Article 241. Unless otherwise provided in this Section or in the company deed, the meeting of shareholders shall be valid regardless of the number of shares represented therein.

Article 242. § 1. Shares of equal nominal value shall carry one vote each, unless the company deed otherwise provides.

§ 2. Save as otherwise provided in the company deed, shares of different value shall carry one vote per each 10 zloties' worth of nominal value of a share.

Article 243. § 1. Barring limitations arising from this Act or the company deed, shareholders may participate in the meeting of shareholders and exercise their voting right by proxy.

§ 2. The proxy shall be in writing on pain of being invalid and it shall be appended to the book of minutes.

§ 3. A management board member and an employee of the company may not act as proxy in the meeting of shareholders.

§ 4. The provisions on the exercise of voting right by proxy shall apply to the exercise of voting right through another representative.

Article 244. A shareholder shall not, either in person or by proxy or as another's proxy, vote on resolutions concerning his accountability to the company on whatever

account, including on granting him a vote of acceptance confirming the discharge of his duties, release from an obligation to the company, or a dispute between him and the company.

Article 245. Save as otherwise provided in this Section or in the company deed, resolutions shall be adopted by an absolute majority of votes.

Article 246. § 1. Resolutions on amending the company deed, dissolving the company or on the transfer of an enterprise or an organized part thereof shall be adopted by a two-thirds majority of votes. A resolution on a material change of the object of the company's activity shall require a three-fourths majority of votes. The company deed may set more rigorous requirements for the adoption of those resolutions.

§ 2. In the case referred to in Article 233, an absolute majority of votes shall suffice for the resolution on dissolving the company to be adopted, unless the company deed provides otherwise.

§ 3. A resolution on amending the company deed, increasing performances by shareholders, or depleting participation rights or rights vested in certain shareholders personally shall require the consent of all shareholders concerned.

Article 247. § 1. Voting shall be open.

§ 2. Secret voting shall be ordered on elections and on motions for recalling members of the company's bodies and liquidators, for proceeding against them, as well as on personal matters. Furthermore, secret voting shall be ordered should at least one shareholder present or represented at the meeting of shareholders so require.

§ 3. The meeting of shareholders may adopt a resolution on waiving the secrecy of voting on matters of electing a commission to be appointed by the meeting of shareholders.

Article 248. § 1. Resolutions of a meeting of shareholders shall be entered in the book of minutes and signed by those present, or at least by the chairperson and the person drawing up the minutes. Where the minutes are drawn up by a notary, the management board shall file an excerpt copy of the minutes in the book of minutes.

§ 2. The minutes shall state that the meeting of shareholders was properly summoned and was competent to adopt resolutions, specify the resolutions adopted, number of votes cast for each resolution and objections raised. The attendance list with signatures of those participating in the meeting of shareholders shall be appended to the minutes. The management board shall file in the book of minutes evidence of the meeting of shareholders having been summoned.

§ 3. The management board shall enter the resolutions which were adopted in writing pursuant to Article 227, paragraph 2 in the book of minutes.

§ 4. Shareholders shall be free to inspect the book of minutes and they may request to be issued copies of resolutions certified by the management board.

Article 249. § 1. A resolution of shareholders that is contrary to the company deed and good practice and prejudicial to interests of the company or intended to

wrong a shareholder may be appealed from by means of bringing action against the company for revoking the resolution.

§ 2. The lodging of appeal from a resolution of shareholders shall not stay the registration proceedings. The registration court may nevertheless suspend the registration proceedings upon holding a hearing.

Article 250. The right to bring action for revoking a resolution of shareholders shall be vested in the:

1) management board, supervisory board, audit commission and individual members of the said bodies;

2) shareholder who voted against the resolution and, upon the resolution being adopted, demanded that his objection be put on record;

3) shareholder who was unduly prevented from participating in the meeting of shareholders;

4) shareholder who was absent from the meeting of shareholders, exclusively in the event that the meeting of shareholders had been improperly summoned or the resolution was adopted on a matter not included in the agenda;

5) in respect of voting in writing, in a shareholder who was bypassed in the vote, or who did not agree to voting in writing, or who voted against the resolution and, upon being informed of the resolution, lodged an objection within two weeks.

Article 251. An action for revoking a resolution of shareholders shall be brought within one month from the date of obtaining information of the resolution but no later than six months from the date on which the resolution was adopted.

Article 252. § 1. The persons or company bodies referred to in Article 250 may seek to have an unlawful resolution of shareholders pronounced invalid by bringing action against the company. The provisions of Article 189 of the Code of Civil Procedure shall not apply.

§ 2. The provision of Article 249, paragraph 2 shall apply respectively.

§ 3. The right to bring action shall expire on the elapse of six months from obtaining information of the resolution, but no later than after three years from the day on which the resolution was adopted.

§ 4. The elapse of the time limits laid down in paragraph 3 shall not preclude challenging the resolution on the grounds of invalidity.

Article 253. § 1. In a dispute over revoking or pronouncing invalid a resolution of shareholders, the defendant company shall be represented by the management board, unless an attorney has been appointed for this purpose under a resolution of shareholders.

§ 2. If the management board may not act for the company, and in the absence of a resolution of shareholders on appointing an attorney, the court competent for the dispute shall appoint a curator to act for the company.

Article 254. § 1. The final judgment revoking the resolution shall be binding in relations between the company and all shareholders and between the company and the members of its bodies.

§ 2. Where the validity of an act performed by the company depends on a resolution of shareholders, the revocation of such resolution shall have no effect on third parties acting in good faith.

§ 3. The management board shall, within a week, notify to the registration court the final judgment revoking the resolution.

§ 4. The provisions of paragraphs 1 to 3 shall apply respectively to a judgment awarded in an action for pronouncing a resolution invalid brought pursuant to Article 252, paragraph 1.

Chapter 4. Amending the Company Deed

Article 255. § 1. An amendment to the company deed shall require a resolution of shareholders and registration.

§ 2. A reduction of the initial capital made pursuant to Article 199, paragraph 5 shall require a resolution of the management board and registration.

§ 3. The resolutions referred to in paragraphs 1 and 2 shall be entered in the minutes drawn up by a notary.

Article 256. § 1. The management board shall notify the registration court of the amendment to the company deed.

§ 2. Changes in the particulars specified in Article 166, if subject to registration, shall be entered in the register at the same time as the entry on amendment to the company deed.

§ 3. The provisions of Article 164, paragraph 3, and of Articles 165, 169, 171, and 172 shall apply respectively to the registration of an amendment to the company deed.

Article 257. § 1. An initial capital increase made otherwise than pursuant to the existing provisions of the company deed on the highest allowable amount of initial capital increase and time limit for making the same may only be effected by means of amending the company deed.

§ 2. An initial capital increase shall be effected by increasing the nominal value of the existing shares or by creating new shares.

§ 3. Where an initial capital increase is made pursuant to the existing provisions of the company deed, in accordance with the requirements stated in paragraph 1, existing shareholders' statements regarding the taking up of new shares shall be executed in writing on pain of invalidity. Article 260, paragraph 2, shall apply respectively.

Article 258. § 1. Save as otherwise provided in the company deed or resolution on capital increase, the existing shareholders shall have the right of priority to take up new shares of the increased initial capital, in proportion to the shares held. This right of priority shall be exercised within one month from the invitation to exercise the same. The management board shall dispatch the invitations to all members at the same time.

§ 2. An existing shareholder's statement regarding the taking up of a new share or shares, or taking up an increase in the value of an existing share or shares, shall be in the form of a notarial deed.

§ 3. The provisions of paragraphs 1 and 2 shall not apply to the company's own shares referred to in Article 200.

Article 259. A statement of a new shareholder shall contain his declaration of accession to the company and of taking up a new share or shares of a designated nominal value. This statement shall be in notarial deed form.

Article 260. § 1. The initial capital of the company may be increased under a resolution of shareholders by means of allocating to this purpose resources held in the supplementary capital or in reserve capitals (funds) created out of the company's profits (initial capital increase out of the company's means).

§ 2. New shares shall be attributable to shareholders in proportion to their existing shares and they need not be taken up.

§ 3. Provision of paragraph 2 shall apply accordingly to increasing the nominal value of the existing shares.

§ 4. Provision of paragraph 2 shall not apply to the company's own shares referred to in Article 200.

Article 261. The provisions of this Section on the nominal value of one share, full payment towards the initial capital, the payment referred to in Article 154, paragraph 3 and non-cash contributions shall apply respectively to the initial capital increase.

Article 262. § 1. The management board shall notify the initial capital increase to the registration court.

§ 2. The following shall be appended to the notification of initial capital increase:

1) resolution on initial capital increase;

2) statements on taking up shares of the increased initial capital;

3) statement by all members of the management board that contributions towards the increased initial capital were made in full.

§ 3. The provisions of paragraph 2, subparagraphs 2 and 3 shall not apply to the initial capital increase made pursuant to Article 260.

§ 4. The initial capital increase shall take effect as of its registration.

Article 263. § 1. A resolution on initial capital reduction shall state the proposed amount of initial capital reduction and the manner of effecting the reduction.

§ 2. The provisions of this Section on the minimum amount of initial capital and minimum share amount shall apply to the initial capital reduction.

Article 264. § 1. The management board shall forthwith announce the initial capital reduction voted in, summoning creditors of the company to lodge objections within three months from the date of announcement in the event they should be against the reduction. The company shall satisfy or secure the creditors who lodged

objections within this period. The creditors who failed to lodge an objection shall be deemed to have agreed to the initial capital reduction.

§ 2. The provisions of paragraph 1 shall not apply where, the initial capital reduction notwithstanding, no refund of payments effected towards the initial capital is made to shareholders and the initial capital is increased to at least its original amount at the same time.

Article 265. § 1. The management board shall notify the initial capital reduction to the registration court.

§ 2. The following shall be appended to the notification of initial capital reduction:

1) resolution on initial capital reduction;

2) proof of summons duly given to creditors;

3) statement by all management board members that the creditors who lodged objections within the time limit set forth in Article 264, paragraph 1 were satisfied or secured.

§ 3. The provisions of paragraph 2, subparagraphs 2 and 3 shall not apply in the case referred to in Article 264, paragraph 2.

§ 4. In the case referred to in Article 199, paragraphs 4 and 5, a statement by all members of the management board, executed in notarial deed form, that all conditions for initial capital reduction envisaged in this Act, in the company deed and in the resolution on initial capital reduction have been fulfilled shall be appended in lieu of the resolution of meeting of shareholders.

Chapter 5. Exclusion of Shareholder

Article 266. § 1. At the request of all other shareholders the court may, for important reasons concerning a given shareholder, give judgment on the exclusion of that shareholder from the company, provided the shareholders requesting exclusion account for more than half of the initial capital.

§ 2. The company deed may vest the right of bringing the action referred to in paragraph 1 also in less than all shareholders, provided they account for more than half of the initial capital. In such a case, all remaining shareholders shall be sued.

§ 3. The shares of the excluded shareholder shall be taken over by shareholders or by third parties. The takeover price shall be set by the court, on the basis of the shares' real value as at the date of service of the complaint.

Article 267. § 1. When awarding the judgment of exclusion, the court shall set a time limit within which the takeover price must be paid to the excluded shareholder, inclusive of interest accruing from the date of service of the complaint. If the amount so due is not paid within said time limit, or deposited with the court, the award of exclusion shall become ineffective.

§ 2. Where the award of exclusion has become ineffective due to the reasons defined in paragraph 1, the ineffectively excluded shareholder may seek relief from the plaintiffs.

Article 268. To secure the relief sought in the action, the court may, for important reasons, suspend the exercise by the shareholder of his participation rights in the company.

Article 269. The validly excluded shareholder whose taken over shares were paid for in a timely manner shall be deemed excluded from the company as of the date upon which he is served the complaint; however, this shall not affect the validity of acts performed by him in the company after the service of complaint.

Chapter 6. Dissolution and Liquidation of Company

Article 270. The following shall cause the dissolution of company:

1) causes provided for in the company deed;

2) resolution of shareholders on dissolving the company or transferring the seat of the company abroad, confirmed in a minutes made by a notary;

3) declaration of bankruptcy given in respect of the company;

4) other causes provided for in the law.

Article 271. Apart from the cases referred to in Article 21, the court may give a judgment on dissolution of the company:

1) at the request of a shareholder or member of a body of the company, where the attainment of the company's object has become impossible or on incidence of other important reasons resulting from the company' dealings;

2) at the request of a state organ named in a separate Act, where the company's unlawful activities threaten public interest.

Article 272. The dissolution of a company shall take effect on the completion of liquidation, as of removal of the company from the register.

Article 273. Until the day on which the application for removing the company from the register is filed, the dissolution may be averted by a unanimous resolution of all shareholders on the continued existence of the company, save where dissolution was requested by a member of a body of the company who is not a shareholder or by the organ referred to in Article 271, paragraph 2 or in the cases referred to in Article 21.

Article 274. § 1. Liquidation shall be opened on the date of the court's decision on the dissolution of company becoming final, of adoption by the shareholders of a resolution on dissolving the company, or of incidence of another reason for liquidation.

§ 2. Liquidation shall be conducted under the company's business name, with an additional designation "w likwidacji" ["in liquidation"].

§ 3. Pending liquidation, the company shall retain its legal personality.

Article 275. § 1. The provisions on company bodies, rights and duties of shareholders shall apply to the company in liquidation, unless the provisions of this Section stipulate to the contrary or the purpose of the liquidation indicates otherwise.

§ 2. Pending liquidation, profits shall not be paid out to shareholders, even partly, nor shall assets of the company be divided before all obligations of the company have been paid off.

§ 3. Pending liquidation, additional capital payments shall not be voted in otherwise than with the consent of all shareholders.

Article 276. § 1. Save as otherwise provided in the company deed or a resolution of shareholders, members of the management board shall be the liquidators.

§ 2. Save as otherwise provided in the company deed, liquidators shall not be recalled otherwise than under a resolution of shareholders. Liquidators whom the court appoints shall be recalled by no other than the court.

§ 3. Where the liquidation is decided by the court, the court may at the same time appoint the liquidators.

§ 4. On motion of parties having legal interest therein, the registration court may, for important reasons, recall liquidators and appoint others to replace them.

§ 5. The court which appointed the liquidators shall set their remuneration.

Article 277. § 1. The following shall be notified to the registration court: the opening of liquidation, forenames and surnames of the liquidators and their addresses, manner of representing the company by the liquidators and any and all changes in this regard, even if no change in the previous manner of representing the company has occurred. Each liquidator has the right and duty to give such notification.

§ 2. Specimens of the liquidators' signatures, executed before the court or notarially certified, shall be appended to the notification referred to in paragraph 1.

§ 3. Liquidators appointed by the court and those recalled by the court shall be entered and removed from the register ex officio.

Article 278. Where the liquidation has been repealed, the liquidators shall notify this circumstance to the registration court.

Article 279. The liquidators shall give an announcement about the dissolution of the company and opening of liquidation, summoning creditors to present their receivable debts within three months from the date of the announcement.

Article 280. Save as otherwise provided in this Chapter, the provisions on management board members shall apply to the liquidators.

Article 281. § 1. The liquidators shall make the liquidation opening balance sheet. The liquidators shall submit this balance sheet to the meeting of shareholders for approval.

§ 2. The liquidators shall, after the end of each financial year, submit to the meeting of shareholders a report on their activities and the financial statements.

§ 3. All component assets shall be shown in the liquidation balance sheet at their transfer value.

Article 282. § 1. The liquidators shall wind up current affairs of the company, collect receivable debts, fulfil obligations and turn the company's assets into liquid assets (liquidation acts). They may undertake a new business only when this should be required for winding up a pending business. Immovable properties may be transferred by public auction and they shall not be transferred by unrestricted sale otherwise than under a resolution of shareholders and at a price no lower than that voted in by the shareholders.

§ 2. In internal relations, the liquidators shall abide by resolutions of shareholders. The liquidators appointed by the court shall abide by resolutions unanimously adopted by shareholders and those who caused the liquidators to be appointed pursuant to Article 276, paragraph 4.

Article 283. § 1. Within the limits of their competence defined in Article 282, paragraph 1, the liquidators may manage the affairs and represent the company.

§ 2. Limitations on the liquidators' competence shall be without effect on third parties.

§ 3. With respect to third parties acting in good faith, acts performed by liquidators shall be deemed liquidation acts.

Article 284. § 1. The opening of liquidation shall cause the procuration to expire.

§ 2. No procuration shall be given pending liquidation.

Article 285. Sums needed to satisfy or secure those creditors known to the company, who have failed to present their claims or whose receivable debts are neither enforceable nor disputed, shall be deposited with the court.

Article 286. § 1. The distribution among shareholders of the assets remaining after the creditors have been satisfied or secured shall not take place before the elapse of six months from the day of the announcement on the opening of liquidation and summoning creditors.

§ 2. The assets referred to in paragraph 1 shall be distributed among shareholders in proportion to their shares.

§ 3. Different terms of assets distribution may be laid down in the company deed.

Article 287. § 1. The creditors of the company who neither presented their claims in due time nor have been known to the company may demand satisfaction of their claims from such assets as have not yet been distributed.

§ 2. The shareholders who, on elapse of the time limit defined in Article 286, paragraph 1, received in good faith the proportion of the company's assets attributable to them shall not be bound to return the same so that creditors' claims may be covered.

Article 288. § 1. Upon approval by the meeting of shareholders of the financial statements as at a day preceding the distribution among the shareholders of assets remaining after creditors have been satisfied or secured (liquidation report) and on completion of the liquidation the liquidators shall publish this report in the company's seat and file it with the registration court and at the same time apply for removing the company from the register.

§ 2. Where a meeting of shareholders summoned to approve the liquidation report has not been held due to the lack of a quorum, the liquidators shall perform the acts referred to in paragraph 1 without the meeting of shareholders' approval of the report.

§ 3. The books and documents of the dissolved company shall be put in the custody of a person indicated in the company deed or resolution of shareholders.

In the absence of an indication to that effect, the registration court shall appoint a custodian.

§ 4. Shareholders and parties having legal interest therein may, under the authority of the registration court, inspect the books and documents.

Article 289. § 1. In the event of bankruptcy of a company, the company shall be dissolved upon completion of bankruptcy proceedings, as of being removed from the register. The application for removal from the register shall be filed by the official receiver in bankruptcy.

§ 2. The company shall not be dissolved in the event that the proceedings ended in an arrangement or were repealed or discontinued for other reasons.

Article 290. The liquidator or official receiver in bankruptcy shall give a notification of dissolution of the company to the competent revenue office, supplying a copy of the liquidation report.

Chapter 7. Civil Liability

Article 291. If, after the establishment of a predial servitude, there arises an important economic need, the owner of the encumbered immovable property may demand, against consideration, a change of the contents or the mode of the exercise of the servitude unless the demanded change means an incommensurate detriment to the dominant immovable property.

Article 292. Whoever, while taking part in the creation of a company, has contrary to the provisions of law and through his own fault caused damage to the company, shall be liable to make good on the damage.

Article 293. § 1. The member of the management board, supervisory board, audit commission, likewise the liquidator shall be liable to the company for damage inflicted through an action or omission contrary to the law or provisions of the company deed, unless he be at no fault.

§ 2. The member of the management board, supervisory board, audit commission, likewise the liquidator, shall discharge his duties with a degree of diligence proper for the professional nature of his activities.

Article 294. Where two or more persons jointly caused the damage referred to in Article 292 and Article 293, paragraph 1, they shall be jointly and severally liable for the same.

Article 295. § 1. Where the company has failed to bring action for relief within one year from the disclosure of the injurious act, each shareholder may file a complaint for making good on the damage inflicted upon the company.

§ 2. At the defendant's request made with the first act performed under the proceedings, the court may order a security deposit to be provided as a security for the damage the defendant stands to suffer. The court shall determine the amount and kind of the security deposit at its discretion. Failing timely provision of the security deposit, the complaint shall be dismissed.

§ 3. The defendant shall have a prior claim on the security deposit before all other creditors of the plaintiff.

§ 4. Where the action has proved groundless and the plaintiff, in bringing the action, acted in ill faith or committed a gross negligence, the plaintiff shall make good on the damage inflicted upon the defendant.

Article 296. Where an action has been brought by a shareholder pursuant to Article 295 and in the event of bankruptcy of the company, those liable to make good on the damage may not invoke the resolution of shareholders whereby they were granted a vote of acceptance confirming the discharge of their duties, or a waiver by the company of its claim for damages.

Article 297. A claim for relief shall be barred by limitation on elapse of three years from the day on which the company became aware of the damage and of the person liable to make good the same. The aforesaid notwithstanding, the claim shall in any event be barred by limitation on elapse of ten years from the incidence of the injurious event.

Article 298. Action for damages against members of company bodies and liquidators shall be brought before the court competent for the seat of the company.

Article 299. § 1. Where execution against the company has proved ineffective, the members of the management board shall be liable jointly and severally for the obligations of the company.

§ 2. A member of the management board may extricate himself from the liability referred to in paragraph 1 by showing that a petition for declaration of bankruptcy was filed or arrangement proceedings were instituted in due time, or that the failure to file a petition for declaration of bankruptcy or institute arrangement proceedings was not due to his fault, or that the creditor suffered no damage even though no petition for declaration of bankruptcy was filed or no arrangement proceedings instituted.

§ 3. The provisions of paragraphs 1 and 2 shall be without prejudice to those provisions whereby more extensive liability of management board members is enacted.

Article 300. The provisions of Articles 291 to 299 shall be without prejudice to shareholders' and third parties' right to seek relief on general terms.

SECTION II. JOINT-STOCK COMPANY

Chapter 1. Company's Coming into Existence

Article 301. § 1. A joint-stock company may be formed by one or more persons. A sole-shareholder limited liability company may not form a joint-stock company as the single promoter.

§ 2. The articles of a joint-stock company shall be executed in the form of a notarial deed.

§ 3. The signatories of the company articles shall be the promoters of the company.

§ 4. The shareholders shall be liable to make only such performances as are stipulated in the company articles.

§ 5. The shareholders shall not be liable for the obligations of the company.

Article 302. The initial capital of the joint-stock company shall be divided into shares of equal nominal value.

Article 303. § 1. In a sole-shareholder company, the sole shareholder shall exercise the entirety of rights of the general meeting of shareholders pursuant to the provisions of this Section. The provisions on general meeting of shareholders shall apply respectively.

§ 2. Save as otherwise provided in this Act, where all shares of the company are vested in the sole shareholder or in the sole shareholder and the company, a declaration of intent made by such shareholder to the company shall be in the written form on pain of invalidity.

§ 3 to § 4. Repealed.

Article 304. § 1. The articles of a joint-stock company shall set forth:

1) the business name and seat of the company;

2) the objects of the company;

3) the lifetime of the company, if definite;

4) the amount of initial capital and the amount paid in towards the initial capital prior to registration;

5) the nominal value of shares and number of shares, stating whether the shares are registered or bearer shares;

6) the number of different kinds of share and rights carried by them, if different kinds of share are to be issued;

7) the surnames and forenames or business names of the promoters;

8) the number of members of the management board and supervisory board , or at least the lowest or highest membership of said bodies, likewise the entity empowered to determine the composition of the management board or supervisory board;

9) repealed;

10) the paper in which to make announcements, if the company proposes to use, besides *Monitor Sądowy i Gospodarczy*, another vehicle for its announcements.

§ 2. The company articles shall also include, on pain of having no effect on the company, provisions on:

1) the number and kinds of titles to participate in profits or in the distribution of the company assets and of related rights;

2) all such duties to be performed for the company as are borne by shares, other than the duty to pay for shares;

3) the terms and manner of redeeming shares;

4) the restrictions on the transfer of shares;

5) the personal entitlements granted to the shareholders referred to in Article 354;

6) at least an approximate amount of all the costs the company has sustained or been charged with in connection with its formation.

§ 3. Where permitted by this Act, the company articles may contain provisions different from those provided in this Act.

§ 4. The company articles may contain additional provisions, save where it should transpire from this Act that exhaustive regulations are provided for therein, or where an additional provision of the company articles is contrary to the nature of the joint-stock company or good practice.

Article 305. § 1. Any name may be chosen as the business name of the company; the business name shall include the additional designation "spółka akcyjna" ["joint-stock company"].

§ 2. It is permissible to use in trading the abbreviation "S.A."

Article 306. The following shall be required for a joint-stock company to come into existence:

1) company to be formed, including the signing of company articles by the promoters;

2) shareholders to make contributions to pay up the initial capital in full, subject to Article 309 paragraphs 3 and 4;

3) management board and supervisory board to be appointed;

4) company to be entered in the register.

Article 307. Joint-stock companies having their seat abroad may establish branches or agencies on the territory of the Republic of Poland. The terms of forming such branches or agencies are laid down in a separate Act.

Article 308. § 1. The initial capital of a company shall be no less than 100,000 zloties.

§ 2. The nominal value of a share shall be no lower than 1 grosz.

Article 309. § 1. Shares shall not be taken up at less than their nominal value.

§ 2. Where shares are taken up at a price exceeding the nominal value, the surplus shall be paid in whole before the registration of the company.

§ 3. Shares taken up for non-cash contributions shall be covered in whole no later than one year after the registration of the company. Shares taken up for cash contributions shall be paid for in at least one fourth of the nominal value prior to the registration of the company.

§ 4. Where shares are taken up exclusively for non-cash contributions, or for non-cash and cash contributions, the initial capital shall be paid up at least in one fourth of its amount referred to in Article 308, paragraph 1 before the registration.

§ 5. The provisions of this Section on payment towards shares shall apply respectively to non-cash contributions.

Article 310. § 1. A joint-stock company shall be formed once all shares have been taken up.

§ 2. The company articles may set forth a minimum or maximum amount of initial capital. In such a case, the company shall be formed as of shareholders taking up that number of shares the aggregate nominal value of which is at least equal to the

minimum initial capital amount referred to in Article 308, paragraph 1, and as the moment the management board has made, prior to applying for registration of the company, a statement in the form of a notarial deed on the amount of initial capital taken up. The amount of initial capital taken up shall be within the limits laid down in the company articles.

§ 3. An amendment to the management board statement referred to in paragraph 2 shall not affect the time of formation of the company.

§ 4. A notarial deed containing the management board statement referred to in paragraph 2 shall include a provision on re-asserting the amount of initial capital in the company articles. The amount of initial capital stated in the company articles shall be compatible with the management board statement.

Article 311. § 1. Where non-cash contributions are admitted, or where the company acquires a property or pays a remuneration for services rendered towards its coming into existence, the promoters shall make a written report which shall state in particular:

1) things brought in as non-cash contributions and number and kind of shares and other titles to participate in income or in the distribution of the assets of the company issued in return for the same;

2) property acquired prior to the registration of the company and the amount and manner of payment;

3) services rendered towards the company's coming into existence and the amount and manner of remuneration;

4) persons who make non-cash contributions, transfer property to the company or receive remuneration for services;

5) the contribution valuation method employed.

§ 2. The report shall state reasons for proposed transactions, including the taking up of shares for non-cash contributions and the amount of remuneration or payment accorded. Originals or officially certified copies of relevant documents shall be appended to the report.

§ 3. Where an enterprise is the object of a contribution or acquisition, financial statements relating to this enterprise, covering the recent two financial years, shall be attached to the promoters' report. Where the enterprise has been in business for less than two years, the financial statements shall cover the entire period of its operation. The provision of Article 101 shall apply respectively.

§ 4. Where an enterprise is the object of a contribution or acquisition, the promoters' report need not show property acquired within the scope of ordinary acts of this enterprise.

Article 312. § 1. The promoters' report shall be audited by one or more expert auditors for accuracy and reliability and with a view to establishing what is the fair value of non-cash contributions and whether it is at least equal to the nominal value of the shares taken up for the same, or to a higher issuing price of the shares, likewise whether the amount of remuneration or payment accorded is reasonable.

§ 2. The expert auditor shall be appointed by the registration court competent for the company's seat.

§ 3. Should the expert auditor so request in writing, the promoters shall furnish in writing additional explanations or documents.

§ 4. The expert auditor's opinion shall give an appraisal of the non-cash contribution valuation method referred to in Article 311, paragraph 1, subparagraph 5, employed in the promoters' report.

§ 5. The expert auditor shall draw up a detailed opinion in duplicate and file the same, together with the promoters' report, with the registration court, whereupon the court shall release to the promoters one copy certified by the court.

§ 6. The registration court shall determine the expert auditor's remuneration for the work performed and it shall approve the auditor's bill stating his expenses. Failing payment by the promoters, the registration court shall collect the remuneration under the execution of court fees procedure.

§ 7. The company shall publish, before the date of registration, a notice to the effect that the expert auditor filed his opinion with the registration court.

§ 8. Should a controversy arise between the promoters and the expert auditor, the dispute shall be decided by the registration court on motion of the promoters. The decision of the court, issued upon examination of the motion, shall not be appealable. The registration court may appoint another expert auditor if the court should find this appropriate.

Article 312[1]. § 1. The management board may dispense with examination by an expert auditor of non-cash contributions whose object are:

1) transferable securities or money-market instruments if they are valued at the weighted average price at which they have been traded on the regulated market in the period of six months preceding the day of making the contribution;

2) assets other than those listed in subparagraph 1 if they have been subject to a fair value opinion by an expert auditor, said fair value being determined for a date not earlier than six months before the day of making the contribution;

3) assets other than those listed in subparagraph 1 if their fair value results from the financial statement for the preceding financial year examined by an expert auditor according to the rules provided for in the Act of 29 September 1994 on Accounting for examining annual financial statements and consolidated financial statements.

§ 2. The management board shall, however, have the valuation of non-cash contributions examined by an expert auditor if:

1) exceptional circumstances occurred which significantly affected the price of the transferable securities or money-market instruments at the moment of their contribution, in particular the circumstances connected with the regulated market having become illiquid;

2) new circumstances occurred which may have significantly affected the fair value of contributions at the time of making the same.

§ 3. If the management board fails to have the valuation of the contributions referred to in paragraph 1, subparagraphs 2 and 3 examined by an expert auditor despite the occurrence of circumstances justifying such a valuation, the examination may be requested by shareholders representing at least one-twentieth of the initial

capital both as of the day of adoption of the resolution on the capital increase and as of the day of lodging the request. This right shall be enjoyed until the day of making the contributions.

§ 4. If the management board fails to lodge with the registration court an application for appointment of an expert auditor within two weeks of the day when the request was received, the application may be lodged by shareholders who prove their representativeness as specified in paragraph 3.

§ 5. If the non-cash contribution was not subjected to examination by an expert auditor, the company shall announce within a month of the day of making the contribution:

1) the description of the object of contribution, its value, source of valuation and method of valuation;

2) a statement whether the adopted value of the contribution corresponds to its fair value and the number and nominal value of shares taken up in exchange for the contribution or a higher issuing price of the shares;

3) a statement confirming lack of extraordinary or new circumstances affecting the valuation of the contribution.

Article 313. § 1. Approval for founding a joint-stock company and for the wording of its articles, likewise for the shares to be taken up by the sole promoter or by the sole promoter jointly with third parties, shall be given in one or more notarial deeds.

§ 2. The deeds referred to in paragraph 1 shall identify in particular the persons taking up shares, the number and kind of shares taken up by each person, nominal value and issuing price of the shares and payment due dates.

§ 3. The deeds referred to in paragraph 1 shall also contain a statement that first bodies of the company have been elected. The forenames and surnames of the persons appointed to the first bodies of the company shall not be given in the company articles.

§ 4. Where shareholders make non-cash contributions in return for shares, or where any property is to be acquired for the company prior to registration by any other act in law, the persons bringing in such contributions or transferring such property, the object of contribution or property acquired, likewise the kind and amount of remuneration or payment shall be stated in the notarial deed.

Article 314. Notarial deeds on founding the company shall contain a statement that each of the prospective shareholders who signed the deed familiarized themselves with the promoters' report and with the expert auditor's opinion referred to in Article 312.

Article 315. § 1. Payments towards shares shall be made directly or through the intermediation of an investment firm into the account of the company in organization maintained with a bank in the territory of the European Union or a state being a party to the Agreement on the European Economic Area.

§ 2. The object of deposit shall remain at the sole disposal of the management board.

Article 316. § 1. The management board shall notify the registration court competent for the company seat of the formation of the company in order to have the company entered in the register. The application for entering the company into a register shall be signed by all members of the management board.

§ 2. Save as otherwise regulated herein, provisions on the National Court Register shall apply to the notification of the registration court on the formation of the company.

Article 317. § 1. Where the notification has been found flawed with a defect that is capable of being removed, the registration court shall set for the company in organization a reasonable time in which to remove the defect on pain of refusal of registration.

§ 2. The registration court shall not refuse to enter the company in the register for minor flaws that are not prejudicial to the interests of the company or to public interest but cannot be removed otherwise than at an unreasonably high cost.

Article 318. § 1. The notification of a joint-stock company to the registration court shall state:

1) the business name, seat and address of the company, or its address for service;

2) the objects of the company;

3) the amount of initial capital, number and nominal value of shares;

4) the amount of target capital, if provided for in the company articles;

5) the number of preference shares and kind of preference carried;

6) the information as to the proportion of initial capital paid up prior to registration;

7) the surnames and forenames of the members of the management board and the manner of representing the company;

8) the surnames and forenames of the members of the supervisory board;

9) where shareholders make non-cash contributions, a notice to that effect;

10) lifetime of the company, if defined;

11) where the company articles provide for a specific paper in which company announcements are to be made, the designation of the same;

12) where the company articles provide for vesting in certain shareholders personal rights or titles to participate in income or assets of the company other than the rights carried by shares, a notice to that effect.

Article 319. § 1. The notification of a sole-shareholder company shall state, next to the data referred to in Article 318, the surname and forename or business name and the seat and address of the sole shareholder, likewise a notice that he is the sole shareholder of the company.

§ 2. The provision of paragraph 1 shall apply respectively where the shareholder acquires all shares in the company upon registration of the company. The management board shall notify this circumstance to the registration court within three weeks from the date of becoming aware of all shares in the company having been acquired by a single shareholder.

Article 320. § 1. The following shall be appended to the notification of company:

1) company articles;

2) notarial deeds of the formation of company and of taking up shares;

3) statement by all members of the management board that such payments towards shares and non-cash contributions as are required under the company articles have been made in a lawful manner;

4) a receipt, certified by a bank or an investment firm, for money paid towards shares into the account of the company in organization; where the company articles provide for initial capital being covered by non-cash contributions upon registration, a statement by all members of the management board, to the effect that bringing such contributions into the company before the elapse of the time limit laid down in Article 309, paragraph 3 is ensured in accordance with the company articles, shall be appended;

5) the document attesting the appointment of the bodies of the company, identifying the members of the said bodies;

6) permit, or proof of approval of the company articles by the competent public authority, if required for the formation of the company;

7) statement referred to in Article 310, paragraph 2, where the management board has made the same.

§ 2. In cases specified in this Section, the promoters' report and expert auditor's opinion shall be appended.

Article 321. § 1. The management board shall notify the registration court of any and all changes in the data referred to in Article 318 and Article 319, with a view to their being entered in the register or disclosed in register files.

§ 2. Where only a proportion of initial capital has been paid up before the registration of the company, the management board shall notify the registration court of each consecutive contribution made thereafter towards the initial capital.

§ 3. Appended to the notification of company and notification of changes in management board membership shall be specimens of signatures, given before the court or certified for authenticity by a notary of the management board members.

Article 322. The company in organization shall not issue, in respect of shares and rights of participation in profit or distribution of company assets, bearer documents, provisional certificates, or registered documents, or documents to order.

Article 323. § 1. As of formation of company, a joint-stock company in organization shall come into existence.

§ 2. Pending appointment of the management board, the company in organization shall be represented by all promoters acting jointly, or by an attorney appointed under a unanimously adopted resolution of the promoters.

§ 3. The liability of the parties referred to in paragraph 2 to the company shall cease as of approval of their performance by the general meeting of shareholders.

§ 4. The provisions on joint-stock company in organization shall apply respectively to the rights and duties and liability of the promoters prior to the company in organization's coming into existence.

Article 324. Upon registration of the company the management board shall, within two weeks, file with the competent revenue office a copy of the company articles certified by the management board, indicating the court with which the company was registered and the date and number of registration.

Article 325. § 1. Failing application for registration of the company within six months from the date on which the company articles were drawn up, or where the decision of the court refusing registration has become final, the management board shall forthwith notify this by an announcement to persons having legal interest and arrange for the money and non-cash contributions paid in to be returned.

§ 2. Where the company has no management board, the promoters shall return the contributions.

Article 326. § 1. Failing application for registration of the company within the time set forth in Article 325, paragraph 1, or where the decision of the court refusing registration has become final, should the company in organization be incapable of returning forthwith all contributions brought in or of satisfying in full receivable debts of third parties, the management board shall liquidate the company. If the company in organization has no management board, the general meeting or the registration court shall appoint a liquidator or liquidators.

§ 2. The provisions on the liquidation of company shall apply respectively to the liquidation of the company in organization.

§ 3. The liquidators shall make a single announcement on the opening of liquidation proceedings, summoning creditors to present their receivable debts within one month from the date of the announcement.

§ 4. The company in organization shall be dissolved on the day on which the general meeting approves the liquidation report.

§ 5. Registration matters relating to the liquidation of the company in organization come under the court competent for the company's seat.

Article 327. § 1. Should, upon registration of the company, defects due to non-compliance with the provisions of law be disclosed, the registration court shall, ex officio or on motion of parties having legal interest, instruct the company to remove the defects and shall set a reasonable time limit to do so.

§ 2. Failing compliance with the instructions, the registration court may impose fines on the terms laid down in the National Court Register provisions.

Chapter 2. Rights and Duties of Shareholders

Article 328. § 1. The share title deed shall be executed in writing and it shall contain the following data:

1) business name, seat and address of the company;

2) designation of the registration court and the number under which the company is entered in the register;

3) date of registration of the company and of issuance of share;

4) nominal value, series and number, type of share and special rights carried by the share;

5) amount paid in, where the share is a registered share;

6) restrictions on disposal of the share;

7) provisions of company articles on duties to the company carried by the share.

§ 2. The share title deed shall bear the seal of the company and the signature of the management board. The signature may be mechanically reproduced.

§ 3. Additional provisions concerning the contents and form of the share title deed may be envisaged in the company articles.

§ 4. Non-compliance with the provisions of paragraph 1, subparagraphs 1, 2 and 4 or paragraph 2 shall render the share title deed invalid.

§ 5. The shareholder shall be entitled to claim the share title deed to be issued to him after one month from the company's registration. The management board shall issue share title deeds within one week from the date on which the shareholder made the claim.

§ 6. [*This paragraph is valid until 2 August 2009.*] The shareholder in a public company, holding paperless shares, shall be entitled to receive a registered depository certificate issued by a subject operating a securities account pursuant to the provisions on trading in financial instruments.

§ 6. [*This paragraph comes into force on 3 August 2009.*] The shareholder in a public company, holding paperless shares, shall be entitled to receive a registered depository certificate issued by a subject operating a securities account pursuant to the provisions on trading in financial instruments and to receive a registered attestation of the right to participate in a general meeting of the public company.

Article 329. § 1. The shareholder shall make full contribution towards shares.

§ 2. Payments shall be made in equal portions towards all shares.

§ 3. Payments towards shares shall be made, directly or through the intermediation of an investment firm, into the company's account operated by a bank in the territory of the European Union or a state being a party to the Agreement on the European Economic Area.

Article 330. § 1. The dates by which payment towards shares are due and amounts to be paid shall be set in the company articles or in a resolution of the general meeting. The general meeting may confer upon the management board the authority to determine the dates on which payment towards shares are due.

§ 2. The management board shall twice publish an announcement inviting payments towards shares.

§ 3. The first announcement shall be made one month before the payment due date and the second no later than two weeks before the payment due date.

§ 4. Summons may be sent in lieu of the announcement, by registered mail at the dates referred to in paragraph 3.

§ 5. Save as otherwise provided in the company articles, a shareholder who has failed to make payment by the date referred to in paragraph 1 shall be liable to pay statutory interest for the default, or damages.

Article 331. § 1. The shareholder who has failed to settle, within one month from the payment due date, the overdue contribution, interest, damages or other payments provided in the company articles, may be deprived, without a previous summons, of his participation rights through annulment of the share title deeds or provisional

certificates. The company shall give a warning to this effect in the announcement inviting payment towards shares or in the letters sent by registered mail.

§ 2. The company shall notify the shareholder and those of his legal antecedents who have been entered in the register of shares in the recent five years of the share title deed or provisional certificates having been annulled due to failure of payment by the date referred to in paragraph 1. The notifications shall be sent by registered mail to the addresses shown in the register of shares.

§ 3. Upon announcing the numbers of the annulled share title deeds or provisional certificates, the company shall issue new share title deeds or provisional certificates with the former numbers and sell those deeds and certificates through a notary, or through the intermediation of an investment firm or a bank.

§ 4. Proceeds of such a sale shall be credited, after covering the costs of announcements and sale, to the overdue payment, as shall be overdue interest, damages or other amounts receivable. The balance shall be returned to the shareholder who defaulted on timely performance.

§ 5. Where proceeds of the sale are insufficient for covering the costs and amounts receivable referred to in paragraph 4, the shareholder and his legal antecedents shall be liable jointly and severally for the shortfall.

§ 6. Claims of the company against the shareholder and his legal antecedents shall be barred by limitation after three years from the date on which the shares were sold pursuant to paragraph 3.

Article 332. The shareholder or legal antecedent of the shareholder who, having failed to make his contribution or provide other contribution-related performances in a timely manner, has covered the shortfall shall have counterclaims against his successor. The said claims shall be barred by limitation after three years.

Article 332[1]. Company articles may provide that, where registered shares fall under marital property co-ownership, only one of the spouses may be a shareholder.

Article 333. § 1. Shares shall be indivisible. They may be issued as multiple-share certificates.

§ 2. Beneficial co-holders shall exercise their rights in the company through a common representative; they shall be liable jointly and severally for share-related performances.

§ 3. Where the beneficial co-holders have not indicated a common representative, the company may make statements to any of them.

Article 334. § 1. Shares may be registered or bearer shares.

§ 2. Save as otherwise provided in this Act or in the company articles, at the request of the shareholder bearer shares may be converted into registered shares, or vice versa.

Article 335. § 1. Bearer share title deeds shall not be issued before full payment has been made. A registered provisional certificate shall be issued to document that a share is part-paid. Provisions of Article 328 shall apply respectively to the provisional certificate.

§ 2. Registered share title deeds may be issued before full payment has been made.

§ 3. Each payment made shall be indicated in provisional certificate and registered share title deed.

§ 4. Share title deeds or provisional certificates issued prior to the registration of increase in the initial capital shall be invalid.

Article 336. § 1. Shares taken up for non-cash contributions shall remain registered shares until the date on which the next ordinary general meeting has approved financial statements for the financial year in which the shares were covered and during the said period they shall not be transferred or pledged.

§ 2. Said shares shall, in the period referred to in paragraph 1, be held by the company as a security against claims for damages for non-performance or unsatisfactory performance of the obligations to make non-cash contributions. Such claims shall enjoy the priority of satisfaction over other non-preference receivable debts.

§ 3. The provisions of paragraphs 1 and 2 shall apply neither to shares taken up following capital increases which are subject to paperless trading pursuant to the provisions on trading in financial instruments in connection with the company's applying for their admission to trading in a regulated market, nor to shares issued in cases of merger, division and transformation of companies.

Article 337. § 1. Shares shall be transferable.

§ 2. The company articles may make the disposal of shares contingent upon consent of the company, or otherwise restrict the freedom of disposal of registered shares.

§ 3. Where company articles make transfer of shares contingent upon consent of the company, the consent shall be given by the management board in writing on pain of being invalid, unless the company articles provide otherwise.

§ 4. Where the company refuses consent to the transfer of shares, it shall indicate an alternative buyer. The time limit for indicating the buyer, the price or the manner of determining the same, likewise the manner of payment shall be laid down in the company articles. In the absence of the said provisions the registered share shall be freely transferable. The time limit for indicating a buyer shall not be longer than two months from the date of notification to the company of the intent to transfer the share.

§ 5. Consent of the company shall not be required for the transfer of a share under execution proceedings.

§ 6. The provisions of paragraphs 1 to 5 shall apply equally to the disposal of a fraction of a share.

Article 338. § 1. An agreement restricting the disposal of a share or fraction thereof for a definite time shall be admissible. The restriction on disposal shall not be imposed for more than five years from the date of execution of the agreement.

§ 2. Agreements providing for the right of pre-emption or other priority right to acquire a share or fraction thereof shall be admissible. The restriction on disposal

arising under such agreements shall not continue in effect for more than ten years from the date of the agreement.

Article 339. The transfer of a registered share or provisional certificate shall be effected by a written statement, whether made on the share title deed or provisional certificate itself or executed as a separate instrument, and it shall require transfer of possession of the share or provisional certificate.

Article 340. § 1. The pledgee and usufructuary may exercise the voting right attached to that registered share or provisional certificate on which pledge or usufruct has been established if this has been envisaged by the act in law by which the limited right in rem has been established and if the establishment of the right and the conferring of authority to exercise the voting right has been duly noted in the register of shares.

§ 2. The company articles may provide for a prohibition to confer the voting right upon a pledgee or usufructuary of a share, or may make conferring such a right subject to consent of a certain body of the company.

§ 3. [*This paragraph is valid until 2 August 2009.*] Throughout the period when those shares of a public company on which pledge or usufruct has been established are entered on securities accounts of a brokerage house or of a bank operating securities accounts, the voting right attached to these shares shall be enjoyed by the shareholder.

§ 3. [*This paragraph comes into force on 3 August 2009.*] Throughout the period when those shares of a public company on which pledge or usufruct has been established are entered on a securities account operated by a subject entitled thereto pursuant to provisions on trading in financial instruments, the voting right attached to these shares shall be enjoyed by the shareholder.

Article 341. § 1. The management board shall maintain a record of registered shares and provisional certificates (the register of shares) in which there shall be entered: the shareholder's surname and forename or business name and the seat and address or address for the service, amount of payments made and, on motion of an entitled person, an entry on the share having been transferred to another person and the date of the entry.

§ 2. At the request of the acquirer of a share or pledgee, or usufructuary, the management board shall make an entry recording that the share was transferred or that a limited right in rem was established thereon. The pledgee and usufructuary may also request disclosure of their authority to exercise voting right attached to the encumbered share. The provision of paragraph 1 shall accordingly apply to the pledgee and usufructuary.

§ 3. Where a share or pledge interests in the share has been acquired by general succession, the management board shall make an entry to this effect in the register of shares at the request of the entitled person.

§ 4. Before amending an entry in the register of shares, the management board shall notify interested parties of its intent to do so, fixing a time limit of no less than two weeks for lodging objection. A written objection lodged within the said time limit shall have the effect of staying the amendment of entry. The interested parties shall mean those parties whose rights entered in the register of shares stand to be struck off or encumbered through the limited right in rem being entered.

§ 5. The requesting parties referred to in paragraph 2 shall furnish the company with documents establishing the grounds for making the entry. The management board shall not be bound to examine the authenticity of the signatures of the transferor and of the persons creating pledge or usufruct on the share.

§ 6. The provisions of paragraphs 1-5 shall apply equally to the provisional certificate.

§ 7. Each shareholder may study the register of shares and request a copy, against refund of costs of making the same.

§ 8. The register of shares may be kept in the form of electronic records.

Article 342. [*This Article is valid until 2 August 2009.*] The company may commission a bank or a brokerage house in the Republic of Poland to keep its register of shares.

Article 342. [*This Article comes into force on 3 August 2009.*] The company may commission a bank or an investment firm in the Republic of Poland to keep its register of shares.

Article 343. § 1. No person shall be deemed shareholder of the company except those entered in the register of shares or those holding bearer shares, subject to the provisions on trading in financial instruments.

§ 2. The provision of paragraph 1 shall apply respectively to the pledgee or usufructuary of the share.

Article 344. § 1. Throughout the lifetime of the company, no full or partial refund of money paid towards shares shall be made to the shareholder, except in the cases specified in this Section.

§ 2. The shareholder and his legal antecedent shall not be exempt from the performance referred to in Article 329, paragraph 1, Article 330, paragraph 5 and Article 350, paragraph 1. The said persons shall be liable jointly and severally.

Article 345. 1. A company may, directly or indirectly, finance the acquisition or taking up of the shares issued by it, in particular by granting a loan, making an advance payout, providing a security.

§ 2. Financing shall be done at market conditions, especially with regard to interest received by the company and security provided to the company for the loans granted and advances paid out, as well as after examining the debtor's solvency.

§ 3. If the company finances the acquisition or taking up of shares issued by it, they shall be acquired or taken up for a fair price.

§ 4. The company may finance the acquisition or taking up of shares issued by it if it previously established for that purpose a reserve capital from the amount which, pursuant to Article 348, paragraph 1, can be subject to distribution.

§ 5. The company shall finance the acquisition or taking up of shares issued by it pursuant to and within the limits set forth in the resolution previously adopted by the general meeting. The provision of Article 17, paragraph 2 shall not apply.

§ 6. The basis for the general meeting resolution concerning financing shall be a written report of the management board specifying:

1) the reasons for or purpose of the financing;

2) the company's interest in the financing;

3) the financing conditions, including in the field of securing the company interests;

4) the influence of financing on the risk for the company's financial liquidity and solvency;

5) the price of the acquisition or taking up of shares accompanied with a justification that it is a fair price.

§ 7. The management board shall submit the report to the registration court and publish the same.

§ 8. The provisions of paragraphs 2, 3, and 5 to 7 shall not apply to performances discharged in the ordinary course of business of financial institutions, as well as to such performances discharged to employees of the company or its related company with a view to facilitating the acquisition or taking up of the shares issued by the company.

Article 346. Shareholders shall not collect interest on their contributions or on the shares held.

Article 347. § 1. Shareholders shall be entitled to participate in profit shown in financial statements examined by the expert auditor and assigned by the general meeting to be paid to shareholders.

§ 2. The profit shall be distributed in proportion to the number of shares held. In respect of part-paid shares, profit shall be distributed in proportion to sums of money paid towards the shares.

§ 3. The company articles may provide for a different manner of distributing the profit, subject to Article 348, Article 349, Article 351, paragraph 4 and Article 353.

Article 348. § 1. An amount to be distributed among shareholders shall not exceed the profit for the last financial year increased by undistributed profits from previous years and by such amounts transferred from the supplementary capital and reserve capitals created out of profit which may be apportioned to the disbursement of dividend. This amount shall be reduced by uncovered losses, own shares, and sums which under this Act or under the company articles should be apportioned out of the last financial year's profit to the supplementary capital or reserve capitals.

§ 2. Entitled to dividend for a given financial year shall be those shareholders who were entitled to shares on the date of the resolution on distribution of profit. The company articles may vest in the general meeting the power to fix the day as at which the list of shareholders entitled to dividend for a given financial year is established (the dividend day). The dividend day shall be fixed no later than within two months from adopting the resolution referred to in Article 347, paragraph 1. A resolution on altering the dividend day shall be adopted at an ordinary general meeting.

§ 3. The ordinary general meeting of a public company shall fix the dividend day and the dividend disbursement time limit. The dividend day may be set as the day on which the resolution was adopted, or as any other day within the consecutive three months thereafter.

§ 4. The dividend shall be disbursed on the day specified in a resolution of the general meeting. Where a resolution of the general meeting does not determine such a day, the dividend shall be disbursed on the day specified by the supervisory board.

Article 349. § 1. The company articles may authorize the management board to pay shareholders an advance towards expected end-of-financial-year dividend, if the company has sufficient means for this payment. The payment of the advance shall be subject to approval of the supervisory board.

§ 2. The company may pay out an advance towards the expected dividend if its approved financial statement for the preceding financial year shows a profit. The advance payment shall not exceed one-half of the profit earned since the end of the preceding financial year and shown in the financial statement examined by an expert auditor, increased by such reserve capitals created out of profit as the management board may employ in paying out advances, and reduced by uncovered losses and own shares.

§ 3. Provisions of Article 347 shall apply respectively to the advance towards the expected dividend.

§ 4. The management board shall announce the planned payment of advances at least four weeks before the commencement of payments, stating the day for which the financial statement was prepared, the amount to be disbursed, and the day according to which those entitled to advances are determined. This day shall occur within a period of seven days before the payments commencement date.

Article 350. § 1. Shareholders who received, contrary to law or provisions of the company articles, any benefits from the company shall return the same. The case of a shareholder receiving in good faith a share of profit shall be the exception. Those members of the management board or supervisory board who are responsible for undue benefits having been granted shall be liable for refund of the same jointly and severally with the recipient of benefit.

§ 2. The claims referred to in paragraph 1 shall be barred by limitation after three years from the day on which the payment was made, except for claims against the recipient who was aware of the unlawful benefit.

Article 351. § 1. The company may issue shares carrying special rights which shall be identified in the company articles (preference shares). The preference shares other than non-voting shares shall be registered shares.

§ 2. The preference referred to in paragraph 1 may, in particular, relate to the voting right, right to dividend or distribution of assets on liquidation of the company. Preference as to vote shall not apply to the public company.

§ 3. The company articles may make the according of special rights contingent upon the provision of certain additional services to the company, elapse of a certain period of time, or fulfilment of a certain condition.

§ 4. The shareholder shall be free to exercise his special rights in a preference share as of the end of that financial year in which he made his full contribution to the initial capital.

Article 352. A single share shall not carry more than two votes. Where this share is converted into a bearer share, or transferred contrary to applicable reservations, the preference it carries shall cease.

Article 353. § 1. Shares preferred as to dividend may vest the beneficial holder with dividend exceeding by no more than one-half the dividend disbursable to shareholders whose right to dividend arises from non-preference shares.

§ 2. Shares preferred as to dividend shall not enjoy priority of satisfaction before other shares.

§ 3. The right to vote may be excluded in respect of shares preferred as to dividend (non-voting shares). Provisions of paragraphs 1 and 2 shall not apply to the non-voting shares. The exclusion of paragraph 1 shall not apply to advances towards dividend.

§ 4. The company articles may provide that the beneficial holder of a non-voting share to whom dividend has not been paid in full in a given financial year may be entitled to claim settlement of the difference out of profit in following years, but no later than within three consecutive financial years.

§ 5. The provision of paragraph 4 shall not apply to advances towards dividend.

Article 354. § 1. The company articles may vest certain personal rights in an individually named shareholder. Such rights may relate in particular to the right to appoint and recall members of the management board and supervisory board, or the right to obtain from the company certain benefits.

§ 2. The company articles may make the granting of a personal right to a shareholder contingent upon the provision of certain performances made for the company, the elapse of a certain period of time, or fulfilment of a certain condition.

§ 3. Limitations on the extent of rights in preference shares and on the exercise of the same shall apply respectively to personal rights granted to a shareholder.

§ 4. Personal rights granted to an individually designated shareholder shall expire no later than on the day when the holder of such rights ceases to be a shareholder of the company.

Article 355. § 1. The company may issue registered promoters' certificates as remuneration for services rendered towards the company's coming into existence.

§ 2. Promoters' certificates shall be issued for a period of no more than ten years from the date of registration of the company. The certificates shall carry the right to participate in the distribution of profits of the company, to the extent determined in the company articles, after a minimum dividend determined in the articles has been deducted for benefit of the shareholders.

§ 3. Remuneration for services rendered to or performances made for the company by promoters, shareholders, and also companies and cooperatives related to them, or being in a subsidiary or controlling relationship with them shall not exceed the remuneration commonly awarded in business.

Article 356. § 1. The registered share may carry the duty to provide certain recurring non-pecuniary performances.

§ 2. The said shares shall not be transferred without consent of the company. The company shall not refuse consent except for an important reason and it shall not be bound to indicate an alternative buyer.

§ 3. The company articles may provide for conventional damages for non-performance or unsatisfactory performance of recurring performances related to the share.

§ 4. The company shall be obligated to pay remuneration for the performances referred to in paragraph 1, even when its balance sheet shows no profit. The provision of Article 355, paragraph 3 shall apply respectively.

Article 357. § 1. Where a share title deed, provisional certificate or dividend coupon has been seriously damaged or a defective or invalid share title deed has been issued, the company shall, at the request of the beneficial holder, issue a new document against refund of the costs of making the same. The company shall bear the cost of issuing the defective or invalid document.

§ 2. The company articles may regulate the procedure for cancelling the destroyed or lost share title deeds, provisional certificates, or other documents issued by the company. For duplicate documents to be issued, an announcement of the destruction or loss of the subject documents must first be published.

§ 3. Where the company articles do not regulate the procedure for issuing duplicates of shares, provisional certificates or other documents issued by the company and destroyed or lost by the shareholder, the company shall issue a new document to the beneficial holder against refund of the costs of making the same, upon cancelling the destroyed or lost one. The cancelling of documents shall be effected according to the procedure set forth in the Decree on cancelling lost documents of 10 December 1946 (Dziennik Ustaw 1947, No. 5, item 20).

Article 358. § 1. Where the contents of a share title deed have become outdated as a result of changed legal relationships, in particular, in the event of change of nominal value or consolidation of shares, the company may summon the shareholder, by an announcement or a letter sent by registered mail, to deliver the share title deed to the company for the purpose of having its contents amended or the deed replaced, on pain of annulment of the share title deed. The time limit set for delivery of the share title deed shall be no shorter than two weeks from the announcement of summons or from service of the registered mail letter.

§ 2. A new share title deed shall be issued to replace the annulled one. The costs of the annulment of the share title deed and issuing a new one shall be borne by the company.

§ 3. The management board shall publish a list of annulled share title deeds within four weeks from the date of passing a resolution on annulment of the same.

Article 359. § 1. Shares may be redeemed where the company articles so provide. A share may be redeemed either with the shareholder's consent, through acquisition of the share by the company (voluntary redemption), or without the shareholder's consent (compulsory redemption). A voluntary redemption shall be effected no oftener than once in a financial year. The grounds and procedure for compulsory redemption shall be determined in company articles.

§ 2. The redemption of shares shall require a resolution of the general meeting. The resolution shall state in particular the legal grounds for the redemption, compensation due to the holder of redeemed shares, or the grounds for redeeming

shares without compensation and the manner of decreasing the initial capital. Compulsory redemption shall be subject to compensation which shall be no lower than the value of net assets attributable to a share, as shown in the financial statements for the last financial year, reduced by an amount distributable among shareholders.

§ 3. The resolution on the redemption of shares shall be published.

§ 4. The resolution on amending the company articles in respect of share redemption provisions shall be supported by a statement of reasons.

§ 5. An amendment to the company articles that provides for compulsory redemption of shares shall not apply to the shares taken up prior to the amendment being entered in the register.

§ 6. The company articles may provide for redeeming shares without the resolution of the general meeting should a certain event occur.

§ 7. Where an event referred to in the company articles, as referred to in paragraph 6, has occurred, the management board shall forthwith adopt a resolution on decreasing the initial capital.

Article 360. § 1. Redemption of shares shall necessarily involve decreasing the initial capital. A resolution on decreasing the initial capital shall be adopted by the general meeting which adopted the resolution on the redemption of shares.

§ 2. The requirements referred to in Article 456 shall not apply to redemption of shares where:

1) the company redeems its own shares acquired gratuitously for the purpose of being redeemed; or

2) compensation for shareholders holding the redeemed shares is to be paid out exclusively out of an amount distributable pursuant to Article 348, paragraph 1; or

3) redemption is made without any benefits for shareholders, other than awarding them utility certificates.

§ 3. The provisions of paragraph 2 shall apply exclusively to the redemption of fully paid-up shares.

§ 4. The redemption of shares shall take effect as of decreasing the initial capital. However, in the case specified in paragraph 2, subparagraph 2, as of the making of a performance by the company to the shareholder no participation rights in the shares under redemption shall be exercised.

Article 361. § 1. The company articles may provide that the company shall be free to issue, in return for redeemed shares, utility certificates which shall have no fixed nominal value. Utility certificates may be issued as registered or bearer certificates.

§ 2. Save as otherwise provided in the company articles, the utility certificates shall participate on equal terms with shares in dividend and in the surplus of company assets remaining after the nominal value of shares has been covered.

§ 3. The beneficial holder of a utility certificate shall not be liable for obligations arising under the redeemed share and he shall not have any participation rights other than those identified in paragraph 2.

Article 362. § 1. The company shall not acquire shares it has issued (own shares). This prohibition shall not apply to:

1) acquisition of shares with the object of preventing a major damage with which the company is directly threatened;

2) acquisition of shares to be offered to employees or persons who were employed in the company or its related company for no less than three years;

2a) a public company acquiring shares in order to fulfil the obligations under debt instruments convertible into shares;

3) acquisition of shares by universal succession;

4) a financial institution which, against a consideration, acquires fully paid-up shares for another's account for re-sale;

5) acquisition of shares to be redeemed;

6) acquisition of fully paid-up shares by execution, to satisfy such claims of the company which cannot be otherwise satisfied from the shareholder's estate;

7) gratuitous acquisition of fully paid-up shares;

8) the acquisition on the basis and within the limits of an authorization granted by the general meeting; the authorization shall set forth the conditions of acquisition, including the maximum number of shares to be acquired, the period of authorization, which may not be longer than five years, and the maximum and minimum value of payment for the acquired shares, if they are acquired against a payment;

9) acquisition of shares in other circumstances provided for in this Act.

§ 2. In the cases referred to in paragraph 1, subparagraphs 1, 2 and 8, the company may acquire its own shares only if the following conditions have been satisfied jointly:

1) acquired shares are fully paid up;

2) the total nominal value of the acquired shares is no higher than 20 per cent of the initial capital of the company, inclusive of the nominal value of the remaining own shares which have not been transferred by the company;

3) the total price at which the own shares were acquired, increased by the costs of acquisition thereof, is no higher than a reserve capital set up for this purpose out of an amount distributable pursuant to Article 348, paragraph 1.

§ 3. The provisions of paragraphs 1 and 2 and of Articles 363 to 365 shall apply respectively to the creation of a pledge on company's own shares. The aforesaid shall not apply to the financial institution, where creating a pledge on shares is connected with the objects of this financial institution.

§ 4. The provisions of Articles 362 to 365 shall apply respectively to the acquisition of the controlling company's own shares by its subsidiary company or cooperative. The aforesaid shall apply equally to persons acting on the account of this subsidiary company or cooperative.

Article 363. § 1. In the cases referred to in Article 362, paragraph 1, subparagraphs 1 and 8, the management board shall notify the next general meeting of the reasons for or the purpose of acquisition of own shares, the number and nominal value of such shares, their percentage in the initial capital, likewise of the value of the performance provided in return for the acquired shares.

§ 2. Where a company acquires its own shares or a person acting in his own name but for the company's account acquires them, the management board report referred to in Article 395, paragraph 2, subparagraph 1 shall include:

1) statement of grounds for the acquisition of company's own shares in a given financial year;

2) number and nominal value of the shares acquired or transferred in the financial year, also their percentage share in the initial capital;

3) where the acquisition or transfer is for a consideration, the price obtained or the value of other reciprocal benefit;

4) number and nominal value of the shares acquired and held, also their percentage share in the initial capital.

§ 3. Shares acquired for the purposes stated in Article 362, paragraph 1, subparagraph 2 shall be offered to employees or other persons identified in the said provision no later than on elapse of one year from the day of acquisition of these shares by the company.

§ 4. Shares acquired in contravention of the provisions of Article 362, paragraph 1 or paragraph 2, shall be transferred within one year from the day of their acquisition by the company. In other cases, that portion of the company's own shares acquired pursuant to the provisions of Article 362, paragraph 1, subparagraphs 3, 4 and 6 and the provisions aimed to protect minority shareholders which is in excess of 10 per cent of the company's initial capital shall be transferred within two years from the day of their acquisition.

§ 5. Failing transfer of a company's own shares by the dates set forth in paragraphs 3 or 4, the management board shall forthwith redeem the same without summoning the general meeting. The provision of Article 359, paragraph 7, shall apply respectively.

§ 6. Own shares shall be shown on the balance sheet under a separate item of own capital in negative figures. At the same time the own shares reserve capital created pursuant to Article 362, paragraph 2, subparagraph 3, shall be reduced and the capital or capitals from which it was created shall be appropriately increased.

Article 364. § 1. Dispositive acts in law performed in contravention of the provisions of Article 362 shall be valid.

§ 2. The company shall not exercise participation rights carried by its own shares, save for the power to transfer the same or to perform acts conducive to preserving such rights.

Article 365. § 1. The acquisition of the company's own shares by a third party acting for the company's account shall be permitted provided the company is also entitled to acquire such shares pursuant to Article 362.

§ 2. When calculating the share of own shares in the initial capital pursuant to Article 362, paragraph 2, subparagraph 2 and Article 363, paragraph 2, subparagraphs 2 and 4, the value of shares held by a subsidiary company or cooperative and by a third party acting on account of the company or its subsidiary company or cooperative shall be included.

Article 366. § 1. The company shall not take up its own shares. This prohibition shall apply equally to the taking up of the company's shares by its subsidiary company or cooperative.

§ 2. The taking up of shares in contravention of the provisions of paragraph 1 shall be valid.

§ 3. Where shares have been taken up in contravention of the provisions of paragraph 1, the management board member shall be liable, jointly and severally with the person who has taken up the shares, for having the full contribution made, save where he is not at fault.

§ 4. Where shares of the company have been taken up by a person acting in his own name but on account of the company or its subsidiary company or cooperative, the person taking up shares shall be deemed to act on his own account.

§ 5. The provisions of paragraphs 1 to 4 shall apply respectively to taking up own shares in the case of formation of company.

Article 367. The provisions of Article 363, paragraph 4, first sentence, paragraphs 5 and 6, and Article 364, paragraph 2, shall apply to own shares taken up by the company in contravention of the provision of Article 366, paragraph 1.

Chapter 3. Company Bodies

Division 1. The Management Board

Article 368. § 1. The management board shall manage the affairs of the company and represent the company.

§ 2. The management board shall be composed of one or more members.

§ 3. Appointments to the management board may be made from among the shareholders or from among outsiders.

§ 4. Save as otherwise provided in the company articles, the supervisory board shall appoint and recall members of the management board. A management board member may also be recalled or suspended by the general meeting.

Article 369. § 1. A management board member shall not hold this office for more than five years (term of office). It is admissible for the same management board member to be re-appointed to the management board for terms of office no longer than five years each. The appointment shall be made no earlier than a year before the elapse of the management board member's current term.

§ 2. It is permissible for the company articles to provide, within the time limits laid down in paragraph 1, for partial renewal of the management board in such a manner that a certain number of management board members step down successively either by drawing lots or according to seniority of election or under another arrangement.

§ 3. Where the company articles provide for the management board members to be appointed for a common term of office, the term of office of that management board member who was appointed before the elapse of a given term of the management board shall expire at the same time as those of the remaining members, unless the company articles otherwise provide.

§ 4. The term of office of the management board member shall expire no later than on the day on which the general meeting was convened to approve financial statements for the last full financial year in which the member served on the management board.

§ 5. The term of office of the management board member shall also expire by the member's death, resignation, or removal from the board.

§ 6. Provisions on the notice of termination of a contract of mandate by the mandatory shall apply respectively to the resignation of a management board member.

Article 370. § 1. A management board member may be recalled at any time. This shall not deprive him of claims arising under relationship of employment or under another legal relationship pertaining to the function performed by the management board member.

§ 2. The company articles may contain other provisions, in particular they may restrict the right of recalling management board members to important reasons.

§ 3. The recalled member of the management board may and shall, pending preparation of the management board report and financial statements, furnish explanations covering the period in which he performed the function of management board member and participate in the general meeting which approves the reports referred to in Article 395, paragraph 2, subparagraph 1, unless the deed of recall provides otherwise.

Article 371. § 1. Where the management board consists of more than one person, all members shall have the duty and right to jointly manage the affairs of the company, unless the company articles provide otherwise.

§ 2. Save as otherwise provided in the company articles, the management board shall adopt resolutions on an absolute majority of votes. It is permissible for the company articles to provide that, in the event of an equal number of votes cast, a president of the management board shall have the casting vote and certain powers in respect of directing the work of the management board.

§ 3. Resolutions of the management board may be adopted if all board members have been duly notified of the management board meeting.

§ 4. Consent of all management board members shall be required for the appointment of a procurator.

§ 5. Any member of the management board may revoke the procuration.

§ 6. Where the company articles do not confer upon the supervisory board or general meeting the power of passing or approving rules of the management board, the management board may adopt its rules.

Article 372. § 1. The management board member's right of representing the company shall encompass all court and out-of-court acts of the company.

§ 2. The management board member's right of representing the company cannot be subjected to limitations effective against third parties.

Article 373. § 1. Where the management board consists of more than one members, the manner of representing the company shall be determined in the company articles. In the absence of any provisions in this matter in the company articles,

statements shall be made in the name of the company by two members of the management board acting jointly, or by one management board member acting jointly with the procurator.

§ 2. Statements and letters addressed to the company may be served upon one member of the management board or the procurator.

§ 3. The provisions of paragraphs 1 and 2 shall not preclude the establishment of one-person or joint procuration, nor shall they restrict those rights of procurators which arise from the provisions on procuration.

Article 374. § 1. Letters and commercial orders issued by a company's in paper and electronic form, and also the information on the company's websites, shall contain:

1) the business name, seat and address of the company;

2) designation of the registration court with which the company's documentation is stored and the number under which the company is entered into the register;

3) the tax identification number;

4) the amount of initial and paid-up capital.

§ 2 to 3. Repealed.

§ 4. The provision of paragraph 1 shall apply respectively to the joint-stock company's branch with its seat abroad.

Article 375. The members of the management board shall, in their relationship with the company, be subject to the limitations set forth in this Section, company articles, rules of the management board and resolutions of the supervisory board and general meeting.

Article 375[1]. The general meeting and the supervisory board may not issue to the management board binding instructions as to the running of the affairs of the company.

Article 376. Resolutions of the management board shall be recorded in minutes. The minutes shall include the agenda, surnames and forenames of the attending management board members, the number of votes cast for individual resolutions and dissentions. The minutes shall be signed by the attending management board members.

Article 377. In the event of a conflict of interest between the company and a management board member, or the member's spouse, relations and in-laws within the second degree and persons with whom the member has a personal relationship, the management board member shall abstain from participating in deciding such matters and he may request that this be recorded in the minutes.

Article 378. § 1. Save as otherwise provided in the company articles, the supervisory board shall determine remuneration of the management board members employed under contracts of employment or other contracts.

§ 2. The general meeting may authorize the supervisory board to decide that remuneration of the management board members shall include the entitlement to a

specific manner of participating in the company's annual profit distributable among shareholders pursuant to Article 347, paragraph 1.

Article 379. § 1. In a contract between the company and a management board member, likewise in a dispute with a management board member, the company shall be represented by the supervisory board or by an attorney appointed under a resolution of the general meeting.

§ 2. Where the shareholder referred to in Article 303, paragraph 2 is at the same time the sole member of the management board, the provision of paragraph 1 shall not apply. An act in law between this shareholder and the company represented by him shall require the form of a notarial deed. The notary shall at all times notify the registration court of having performed such an act in law by sending an excerpt copy of the notarial deed.

Article 380. § 1. The management board member shall not, without consent of the company, involve himself in a competitive business or participate in a competitive partnership or company, whether as partner in a civil partnership, a partnership, or as member of a body of such company, nor shall he be involved with another competitive legal person by sitting on its body. This prohibition shall apply equally to having interests in a competitive company, in the event that the management board member should hold 10 per cent or more shares in it or have the right of appointing at least one member of the management board.

§ 2. Save as otherwise provided in the company articles, the consent shall be given by the body empowered to appoint the management board.

Division 2. Supervision

Article 381. In a joint-stock company there shall be a supervisory board.

Article 382. § 1. The supervisory board shall exercise day-to-day supervision over the activity of the company in all areas of the company's activities.

§ 2. Repealed.

§ 3. Special duties of the supervisory board shall include appraising the reports referred to in Article 395, paragraph 2, subparagraph 1 to the extent of their conformity with books and documents and with the actual state of things, and management board motions on the distribution of profit or covering loss, as well as submitting to the general meeting annual written reports on findings of the appraisals.

§ 4. The supervisory board may, for purposes of discharging its duties, inspect all documents of the company, request reports and explanations from the management board and employees, and audit the position of the company's assets.

Article 383. § 1. The powers of the supervisory board shall also include suspending certain or all members of the management board for important reasons and delegating supervisory board members to temporarily fill in, for a period not exceeding three months, for those management board members who have been recalled, resigned, or are incapable of performing their duties for other reasons.

§ 2. Where a management board member is incapable of discharging his duties, the supervisory board shall promptly take appropriate steps towards changing the composition of the management board.

Article 384. § 1. The company articles may extend the powers of the supervisory board, in particular, by providing that the management board must obtain consent of the supervisory board prior to performing acts stated in the company articles.

§ 2. Should the supervisory board refuse to authorize the performance of a certain act, the management board may call on the general meeting to adopt a resolution authorizing performance thereof.

Article 385. § 1. The supervisory board shall be composed of no less than three, and in public companies of no less than five, members appointed and recalled by the general meeting.

§ 2. The company articles may provide for a different manner of appointing and recalling supervisory board members.

§ 3. At the request of shareholders who represent no less than one-fifth of the initial capital, the supervisory board shall be elected by the next general meeting by a vote held in separate groups, even if the company articles provide for a different manner of appointing the supervisory board.

§ 4. If a person appointed by a subject identified in a separate Act is a member of the supervisory board, only the remaining members of the supervisory board shall be elected.

§ 5. Persons, who in general meeting represent that portion of shares which is a resultant of dividing the total number of represented shares by the number of supervisory board members, may form a separate group for electing one board member, but they shall not take part in electing the remaining members.

§ 6. The seats on the supervisory board which have not been filled by an appropriate group of shareholders formed pursuant to paragraph 5 shall be filled by a vote in which all those shareholders whose votes have not been cast in the election of supervisory board members chosen in the by-separate-groups voting shall take part.

§ 7. Failing formation, in the general meeting referred to in paragraph 3, of at least one group capable of electing a supervisory board member, no election shall be held.

§ 8. Upon election of at least one member of the supervisory board pursuant to the provisions of paragraphs 3 to 7, terms of office of all current members of the supervisory board other than the persons referred to in paragraph 4 shall expire ahead of time.

§ 9. In the voting referred to in paragraphs 3 and 6, each share shall carry only one vote, with no preferences or limitations, subject to Article 353, paragraph 3.

Article 386. § 1. The term of office of the supervisory board member shall be no longer than five years.

§ 2. The provisions of Articles 369 and 370 shall apply respectively.

Article 387. § 1. The member of the management board, procurator, liquidator, head of branch or establishment, likewise chief accountant who is an employee of the company, legal counsellor or advocate shall not sit on the supervisory board at the same time.

§ 2. The provision of paragraph 1 shall apply equally to other persons reporting directly to a management board member or a liquidator.

§ 3. The provision of paragraph 1 shall apply respectively to members of the management board and liquidators of the subsidiary company or cooperative.

Article 388. § 1. The supervisory board shall adopt resolutions if at least half of its members are present at the meeting and all members have been invited. The company articles may set more rigorous requirements as to supervisory board quorum.

§ 2. The company articles may provide that supervisory board members may take part in adopting supervisory board resolutions by casting their votes in writing through another supervisory board member. The casting of vote in writing shall not apply to matters put on the agenda during the meeting of the supervisory board.

§ 3. It shall be permissible for the supervisory board to adopt resolutions under the in-writing procedure or by using means of direct communication over distance only if the company articles so provide. The resolution shall be valid if all members of the supervisory board have been notified of the contents of the draft resolution.

§ 4. The adopting of resolutions under the procedure identified in paragraphs 2 and 3 shall not apply to the election of the chairperson and deputy chairperson of the supervisory board, appointment of a management board member and the recalling and suspending of said persons.

Article 389. § 1. The management board or a member of the supervisory board may request that the supervisory board be convened, stating a proposed agenda. The chairperson of the supervisory board shall call a meeting within two weeks from receipt of the request.

§ 2. Where the chairperson of the supervisory board has failed to summon the meeting pursuant to paragraph 1, the requesting party may do so independently, stating the date, venue and proposed agenda.

§ 3. The supervisory board shall be summoned as required and at least three times in a single financial year.

Article 390. § 1. The supervisory board shall discharge its duties collectively, but it may assign its members to carry out certain supervisory activities by themselves.

§ 2. Where the supervisory board was elected by voting by separate groups, each group may delegate one of the supervisory board members it elected to perform certain supervision activities individually, on a standing basis. These members may take part in meetings of the management board in the advisory capacity. The management board shall notify them in advance of each management board meeting.

§ 3. The supervisory board members assigned to performing certain supervision activities individually, on a standing basis, shall receive a separate remuneration the amount of which shall be determined by the general meeting. The general meeting

may confer this power upon the supervisory board. The competition prohibition referred to in Article 380 shall apply to such members.

Article 391. § 1. The supervisory board shall adopt resolutions by an absolute majority of votes, unless the company articles provide otherwise. The company articles may provide that in the event of an equal number of votes cast, the chairperson of the supervisory board shall have the casting vote.

§ 2. The provisions on management board minutes shall apply respectively to supervisory board minutes.

§ 3. The general meeting may pass supervisory board rules wherein the organization and work procedures of the supervisory board shall be laid down. The company articles may authorize the supervisory board to adopt its own rules.

Article 392. § 1. The supervisory board members may be granted remuneration. The remuneration shall be determined in the company articles or in a resolution of the general meeting.

§ 2. The general meeting alone shall have the right to grant supervisory board members a remuneration in the form of the right to participate in such company profit for a given financial year as is distributable among shareholders pursuant to Article 347, paragraph 1.

§ 3. Members of the supervisory board shall be entitled to refund costs involved in participation in the work of the supervisory board.

Division 3. The General Meeting

Article 393. In addition to other matters identified in this Section or in the company articles, a resolution of the general meeting shall be required for:

1) examination and approval of the management board's report on the company's activities and of financial statements for the preceding financial year, likewise for granting a vote of acceptance to members of company bodies confirming the discharge of their duties;

2) taking decisions in respect of claims for making good on damage suffered through the formation of the company or exercise of management or supervision;

3) transfer or lease of an enterprise or an organized part thereof and establishment of a limited right in rem thereon;

4) acquisition and transfer of an immovable property, perpetual usufruct, or share in immovable property, except where company articles provide otherwise;

5) making an issue of convertible bonds or bonds with the priority warrant and an issue of the subscription warrants referred to in Article 453, paragraph 2;

6) acquisition of own shares in the circumstances referred to in Article 362, paragraph 1, subparagraph 2 and authorization for their acquisition in the circumstances referred to in Article 362, paragraph 1, subparagraph 8;

7) conclusion of a contract referred to in Article 7.

Article 394. § 1. Those contracts for acquisition of any assets for the company, for a price higher than one tenth of the paid-up initial capital, from a promoter or shareholder, or for a subsidiary company or cooperative from a promoter or share-

holder of the company, which are concluded before the elapse of two years from registration of the company, shall require a resolution of the general meeting adopted by a two-thirds majority of votes.

§ 2. The provisions of paragraph 1 shall apply equally to the acquisition of assets from the controlling company or from a subsidiary company or cooperative.

§ 3. The general meeting shall be furnished with a management board report satisfying the requirements defined in Article 311. The report shall be examined and published prior to the general meeting in the manner defined in Article 312, paragraph 7. The provisions of Article 312^1 shall apply accordingly.

§ 4. The provisions of paragraphs 1 to 3 shall not apply to the acquisition of assets pursuant to the provisions on public procurement, liquidation proceedings, bankruptcy proceedings and execution proceedings and neither shall they apply to the acquisition of securities and commodities on a regulated market.

Article 395. § 1. An ordinary general meeting shall be held no later than six months after the end of each financial year.

§ 2. The following matters shall come before the ordinary general meeting:

1) examination and approval of the management board's report on company activities and the financial statements for the preceding financial year;

2) adoption of a resolution on the distribution of profit or covering loss;

3) granting a vote of acceptance to members of company bodies toe confirm the discharge of their duties.

§ 3. The provision of paragraph 2, subparagraph 3 shall apply to all those persons who sat as members on company bodies in the recent financial year. Those members of company bodies whose terms of office expired before the day of a general meeting may take part in the general meeting, inspect the documents referred to in paragraph 4 and submit their written comments thereon. The request for exercise of these rights shall be submitted to the management board in writing no later than one week before the general meeting.

§ 4. Copies of the management board report on company activities and of the financial statements, together with a copy of the supervisory board's report and expert auditor's opinion, shall be issued to shareholders on request no later than fifteen days before the general meeting.

§ 5. The ordinary general meeting may also examine and approve financial statements of the capital group within the meaning of the accounting provisions and address matters other than those listed in paragraph 2.

Article 396. § 1. There shall be supplementary capital created against losses, to which no less than 8 per cent of a given financial year's profit shall be transferred until the capital has been built up to no less than one-third of the initial capital.

§ 2. Surplus earnings, remaining from share issues made at above-nominal-value prices after the costs of issue have been met, shall be transferred to the supplementary capital.

§ 3. Likewise transferred to the supplementary capital shall be additional payments made by shareholders in return for special rights conferred upon their existing shares, unless such additional payments be used to offset extraordinary write-offs or losses.

§ 4. The company articles may provide for creating other capitals against exceptional losses or expenditures (reserve capitals).

§ 5. The manner of employment of the supplementary and reserve capital shall be determined by the general meeting; the aforesaid notwithstanding, a portion of the supplementary capital equal to one third of the initial capital shall not be employed otherwise than in covering the loss shown in the financial statements.

2

Article 397. Where the balance sheet prepared by the management board shows a loss in excess of the sum total of the supplementary and reserve capitals, and one third of the initial capital, the management board shall forthwith convene a general meeting with the object of adopting a resolution on the continued existence of the company.

Article 398. An extraordinary general meeting shall be convened in the circumstances referred to in this Section or in the company articles, also in the event that the bodies or persons authorized to convene general meetings should find this appropriate.

Article 399. § 1. The general meeting shall be convened by the management board.

§ 2. [*This paragraph is valid until 2 August 2009.*] The supervisory board may convene an ordinary general meeting, should the management board fail to do so by the date stipulated in this Section or in the company articles, and an extraordinary general meeting, if it finds this appropriate and if the management board has failed to convene a general meeting within two weeks from the date of the supervisory board's request to this effect.

§ 2. [*This paragraph comes into force on 3 August 2009.*] The supervisory board may convene an ordinary general meeting, should the management board fail to do so by the date stipulated in this Section or in the company articles, and an extraordinary general meeting, if it finds its convening appropriate.

§ 3. [*This paragraph is valid until 2 August 2009.*] Company articles may also confer the right referred to in paragraph 2 upon other persons.

§ 3. [*This paragraph comes into force on 3 August 2009.*] Shareholders representing at least half of the initial capital or at least half of the total number of votes in the company may convene an extraordinary general meeting. The shareholders shall appoint the chairperson of the meeting.

§ 4. [*This paragraph comes into force on 3 August 2009.*] The articles may also authorize other persons to convene an ordinary general meeting, should the management board fail to do so by the date stipulated in this Section or in the company articles, and to convene an extraordinary general meeting.

Article 400. § 1. [*This paragraph is valid until 2 August 2009.*] A shareholder or shareholders representing at least one-tenth of the initial capital may demand that a general meeting be convened, likewise that certain issues be put on the next general meeting's agenda. A request to this effect shall be submitted in writing to the management board no later than one month before the proposed date of general meeting.

§ 1. [*This paragraph comes into force on 3 August 2009.*] A shareholder or shareholders representing at least one-twentieth of the initial capital may demand that an extraordinary general meeting be convened, likewise that certain issues be put on the general meeting's agenda; the articles may authorize shareholders representing less than one-twentieth of the initial capital to demand that an extraordinary general meeting be convened.

§ 2. [*This paragraph is valid until 2 August 2009.*] The company articles may confer the right referred to in paragraph 1 upon shareholders representing less than one-tenth of the initial capital.

§ 2. [*This paragraph comes into force on 3 August 2009.*] The demand that an extraordinary general meeting be convened shall be submitted to the management board in writing or in electronic form.

§ 3. [*This paragraph comes into force on 3 August 2009.*] If, within two weeks of the day of submission of the demand to the management board, the extraordinary

general meeting is not convened, the registration court may authorize the shareholders that demanded it to convene the extraordinary general meeting. The court shall appoint the chairperson of the meeting.

§ 4. [*This paragraph comes into force on 3 August 2009.*] The meeting referred to in paragraph 1 shall adopt a conclusive resolution on whether the company shall or shall not bear the costs of convening and holding the general meeting. The shareholders upon whose demand the meeting was convened may apply to the registration court for exemption from the duty to cover the costs imposed by the resolution of the meeting.

§ 5. [*This paragraph comes into force on 3 August 2009.*] The notification on convening the extraordinary general meeting referred to in paragraph 3 shall contain a reference to the ruling of the registration court.

Article 401. § 1. [*This paragraph is valid until 2 August 2009.*] Where an extraordinary general meeting has not been convened within two weeks from submission of the request to the management board, the registration court may, upon calling on the management board to make a statement, authorize the shareholders who made the request to convene the extraordinary general meeting. The court shall appoint a presiding person of this general meeting.

§ 1. [*This paragraph comes into force on 3 August 2009.*] A shareholder or shareholders representing at least one-twentieth of the initial capital may demand that certain matters be put on the next general meeting's agenda. The demand shall be submitted to the management board not later than fourteen days before the specified meeting date. In a public company the time limit shall be twenty-one days. The demand shall include a justification or draft resolution concerning the proposed item on the agenda. The demand may be submitted in electronic form.

§ 2. [*This paragraph is valid until 2 August 2009.*] The general meeting referred to in paragraph 1 shall adopt a conclusive resolution on whether the company shall or shall not bear the costs of summoning and holding the general meeting.

§ 2. [*This paragraph comes into force on 3 August 2009.*] The management board shall be obliged to immediately, but not later than four days before the specified date of the general meeting, announce changes to the meeting agenda introduced at the demand of shareholders. In a public company the time limit shall be eighteen days. The announcement shall be made in the manner appropriate for convening the general meeting.

§ 3. [*This paragraph is valid until 2 August 2009.*] The decision of the registration court shall be cited in notices of the extraordinary general meeting referred to in paragraph 1.

§ 3. [*This paragraph comes into force on 3 August 2009.*] If the general meeting is convened under Article 402, paragraph 3, the provisions of paragraphs 1 and 2 shall not apply.

§ 4. [*This paragraph comes into force on 3 August 2009.*] A shareholder or shareholders of a public company representing at least one-twentieth of the initial capital may, before the date of the general meeting, submit to the company in writing or by electronic communication means draft resolutions concerning matters put on the general meeting's agenda or matters to be put on the agenda. The company shall immediately announce the draft resolutions on its website.

§ 5. [*This paragraph comes into force on 3 August 2009.*] Each shareholder may, during the general meeting, submit draft resolutions concerning matters put on the agenda.

2

§ 6. [*This paragraph comes into force on 3 August 2009.*] The articles may authorize shareholders representing less than one-twentieth of the initial capital to demand

that certain matters be put on the next general meeting's agenda and to submit to the company in writing or by electronic communication means draft resolutions concerning matters put on the general meeting's agenda or matters to be put on the agenda.

Article 402. § 1. A general meeting shall be convened by means of an announcement made no later than three weeks before the date of a general meeting.

§ 2. The announcement shall state the date, time and venue of the general meeting and a detailed agenda. In the event of a proposed amendment to the company articles, the provisions heretofore in effect shall be cited as well as the contents of the proposed amendments. Where the extensive scope of the proposed amendments so warrants, the announcement may include a draft of the new uniform text of the company articles with an enumeration of new or amended provisions thereof.

§ 3. Where all issued shares of the company are registered shares, the general meeting may be convened by registered mail or courier despatches sent no later than two weeks before the date of the meeting of shareholders. The day on which the letters are mailed shall be deemed the day of announcement. A notice may be sent to a shareholder by electronic mail in lieu of registered mail or courier service despatch provided the shareholder has previously consented to this in writing and indicated an address to which to send the notice.

Article 402^1. [*The provisions of this Article come into force on 3 August 2009.*] § 1. The general meeting of a public company shall be convened by means of an announcement on the company's website and in the manner specified for communicating current information, pursuant to the provisions on the public offer and the conditions for introducing financial instruments to the organized trading system, and on public companies.

§ 2. The announcement shall be made at least twenty-six days before the date of the general meeting.

Article 402^2. [*The provisions of this Article come into force on 3 August 2009.*] An announcement about the general meeting of a public company shall contain at least:

1) the date, time and place of the general meeting and a detailed agenda;

2) a precise description of the procedures concerning participation in the general meeting and exercise of a voting right, in particular information about:

a) the shareholder's right to demand that certain matters be put on the general meeting's agenda;

b) the shareholder's right to submit draft resolutions concerning matters put on the general meeting's agenda or matters which are to be put on the agenda before the date of the general meeting;

c) the shareholder's right to submit draft resolutions concerning matters put on the agenda during the general meeting;

d) the manner of exercise of the voting right by a proxy, including in particular the forms applied when voting by proxy and the manner of notifying the company, by electronic communication means, about the appointment of a proxy;

e) the ability to participate and manner of participating in the general meeting by electronic communication means;

f) the manner of addressing the general meeting by electronic communication means;

g) the manner of exercising of the voting right by correspondence or by electronic communication means;

3) the date of general meeting participation registration referred to in Article 406^1;

4) the information that the right to participate in the general meeting is enjoyed only by the persons being shareholders of the company on the date general meeting participation registration;

5) an indication where and how the person entitled to participate in the general meeting can obtain the full text of the documentation that is to be presented to the general meeting and draft resolutions or, where it is envisaged that no resolution will be adopted, remarks of the management board or supervisory board of the company concerning matters put on the general meeting's agenda or matters which are to be put on the agenda before the date of the general meeting;

6) an indication of the address of the website on which information concerning the general meeting will be made available.

Article 402^3. [*The provisions of this Article come into force on 3 August 2009.*] § 1. A public company shall keep its own website and place on it, from the day of convening the general meeting:

1) announcement about convening the general meeting;

2) information about the overall number of shares in the company and the number of votes in these shares as of the day of announcement, and if there are different kinds of shares, also about the distribution of shares to different kinds and the numbers of votes in shares of each kind;

3) the documentation to be presented to the general meeting;

4) draft resolutions or, where it is envisaged that no resolution will be adopted, remarks of the management board or supervisory board of the company concerning matters put on the general meeting's agenda or matters which are to be put on the agenda before the date of the general meeting;

5) the forms which enable exercising voting right by proxy and by correspondence, unless those forms are sent directly to each shareholder.

§ 2. Where the forms referred to in paragraph 1, subparagraph 5 cannot be made available on the website for technical reasons, a public company shall indicate on this website the manner in which and the place where those forms can be obtained. In this case the public company shall send the forms by postal services and free of charge to every shareholder who so requests.

§ 3. The forms referred to in paragraph 1, subparagraph 5, shall contain the proposed contents of the general meeting resolution and enable:

1) the identification of a shareholder casting a vote and his proxy, if the shareholder exercises a voting right by proxy;

2) casting of the vote in the sense of Article 4, paragraph 1, subparagraph 9;

3) lodging an objection by shareholders voting against the resolution;

4) placing instructions concerning the manner of voting in respect of each resolution the proxy is to vote on.

Article 403. A general meeting shall be held in the seat of the company. A general meeting of a public company may also be held on a location where the company running a stock exchange on which its shares are traded has its seat. The company articles may contain different provisions in the matter of the venue of general meeting, but a general meeting shall not be held elsewhere than on the territory of the Republic of Poland.

Article 404. § 1. No resolution shall be adopted on a matter not included in the agenda, except where the entire initial capital is represented at the general meeting and none of those present have objected to adopting the resolution.

2 § 2. A motion on convening an extraordinary general meeting and motions on the order of proceedings may be adopted even if not included in the agenda.

Article 405. § 1. Resolutions may be adopted despite the general meeting not having been formally convened where the entire initial capital is represented and none of those present have objected to holding the general meeting or putting certain matters on the agenda.

§ 2. Repealed.

Article 406. § 1. [*This paragraph is valid until 2 August 2009.*] Beneficial holders of registered shares and provisional certificates, likewise those pledgees and usufructuaries who are entitled to vote, may participate in the general meeting, provided they have been entered in the register of shares no later than one week before the general meeting is held.

§ 1. [*This paragraph comes into force on 3 August 2009.*] Beneficial holders of registered shares and provisional certificates, likewise those pledgees and usufructuaries who are entitled to vote, may participate in the general meeting of a non-public company, provided they have been entered in the register of shares no later than one week before the general meeting is held.

§ 2. [*This paragraph is valid until 2 August 2009.*] Bearer shares shall carry the right of participating in general meeting provided the share title deeds have been deposited with the company no later than one week before the date the meeting and are not withdrawn before the conclusion thereof. Certificates, attesting that shares have been deposited with such notary, bank or investment firm having a seat or branch in the territory of the European Union or a state being a party to the Agreement on the European Economic Area, as has been indicated in the announcement about convening a general meeting, may be deposited in lieu of the shares. W zaświadczeniu należy wymienić numery dokumentów akcji i stwierdzić, że akcje nie będą wydane przed zakończeniem walnego zgromadzenia. The certificate shall enumerate and state that shares shall not be released until conclusion of the general meeting.

§ 2. [*This paragraph comes into force on 3 August 2009.*] Bearer shares shall carry the right of participating in general meeting of a non-public company provided the share title deeds have been deposited with the company no later than one week before the date of the meeting and are not withdrawn before the conclusion thereof. A certificate attesting that shares have been deposited with such notary, bank or investment firm having a seat or branch in the territory of the European Union or a state being a party to the Agreement on the European Economic Area, as have been indicated in the announcement about convening a general meeting, may be deposited in lieu of the shares. The certificate shall indicate the numbers of share title deeds and state that the deeds shall not be released until conclusion of the general meeting.

§ 3. [*This paragraph is valid until 2 August 2009.*] Shareholders of public companies, holding paperless shares, shall put down with the company registered depository certificates issued by a subject operating the securities account pursuant to provisions on trading in financial instruments.

§ 4. [*This paragraph is valid until 2 August 2009.*] Members of the management board and supervisory board shall have the right of participating in the general meeting.

Article 406[1]. [*The provisions of this Article come into force on 3 August 2009.*] § 1. The right of participating in a general meeting of a public company shall be enjoyed only by persons being shareholders of the company sixteen days before the date of the general meeting (date of a general meeting participation registration).

§ 2. The date of general meeting participation registration shall be the same for all beneficial holders of bearer and registered shares.

Article 406[2]. [*This Article comes into force on 3 August 2009.*] Beneficial holders of registered shares and provisional certificates, likewise those pledgees and usufructuaries who are entitled to vote, may participate in the general meeting of a public company, provided they are entered in the register of shares on the date of a general meeting participation registration.

Article 406[3]. [*The provisions of this Article come into force on 3 August 2009.*] § 1. Bearer shares in document form shall carry the right of participating in a general meeting of a public company provided that share title deeds have been deposited with the company no later than on the date of a general meeting participation registration and are not withdrawn before the end of that day. A certificate attesting that shares have been deposited with such notary, bank or investment firm having a seat or branch in the territory of the European Union or a state being a party to the Agreement on the European Economic Area, as have been indicated in the announcement about convening the general meeting, may be deposited in lieu of the shares. The certificate shall indicate the numbers of share title deeds and state that the deeds shall not be released until the end of the date of a general meeting participation registration.

§ 2. Upon demand of the beneficial holder of paperless bearer shares of a public company submitted not earlier than after announcement of convening the general meeting and not later than on the first working day after the date of a general meeting participation registration, the subject operating the securities account shall issue a registered attestation of the right to participate in the general meeting.

§ 3. The attestation referred to in paragraph 2 shall include:

1) the business name (name), seat, address, and seal of the issuer and the number of the attestation;

2) the number of shares;

3) the kind and code of shares;

4) the business name (name), seat and address of the public company which issued the shares;

5) the nominal value of shares;

6) forename and surname or the business name (name) of the beneficial holder of shares;

7) the seat (place of residence) and address of the beneficial holder of shares;

8) the purpose of issue of the attestation;

9) the date and place of issue of the attestation;

10) a signature of the person authorized to issue the attestation.

§ 4. Upon demand of the beneficial holder of paperless bearer shares, the contents of the certificate shall indicate part or all of the shares registered in his securities account.

§ 5. The provisions on trading in financial instruments may indicate other documents equivalent to the certificate, provided that the subject issuing such documents was identified to the subject operating the depository for securities for the public company.

§ 6. The list of beneficial holders of bearer shares entitled to participate in the general meeting of a public company shall be determined on the basis of shares deposited with the company pursuant to paragraph 1 and the list prepared by the subject operating the depository for securities pursuant to the provisions on trading in financial instruments.

§ 7. The subject operating the depository for securities shall prepare the list referred to in paragraph 6 on the basis of lists submitted not later than twelve days before the date of the general meeting by subjects authorized pursuant to provisions

2

on trading in financial instruments. The basis for preparing the lists submitted to the subject operating the depository for securities shall be attestations on the right to participate in the general meeting of the public company.

§ 8. The subject operating the depository for securities shall make the list referred to in paragraph 6 available to the public company by electronic communication means not later than one week before the date of the general meeting. Where the list cannot be made available this way for technical reasons, the subject operating the depository for securities shall issue it in the form of a document prepared in writing not later than six days before the date of the general meeting; it shall be issued in the seat of the subject's governing body.

Article 406[4]. [*This Article comes into force on 3 August 2009.*] A shareholder of a public company may transfer shares in the period between the date of general meeting participation registration and the day of completion of the general meeting.

Article 406[5]. [*The provisions of this Article come into force on 3 August 2009.*] § 1. The articles may permit the participation in the general meeting by electronic communication means, which shall include in particular:

1) real-time transmission of the general meeting;

2) real-time two-way communication enabling shareholders to address the general meeting from a location other than the location of holding the general meeting;

3) exercising the voting right personally or by a proxy before or in the course of the general meeting.

§ 2. If the articles permit the participation in the general meeting by electronic communication means, shareholders' participation in the general meeting may be made subject only to such requirements and constraints as are necessary for the identification of shareholders and to ensure the security of the electronic communication.

§ 3. Real-time transmission of the general meeting shall not infringe information duties specified in the provisions on public offer and the conditions for introducing financial instruments to the organized trading system and on public companies.

Article 406[6]. [*This Article comes into force on 3 August 2009.*] Members of the management board and supervisory board shall have the right of participating in the general meeting.

Article 407. § 1. A list of shareholders entitled to participate in the general meeting, signed by the management board, stating the forenames and surnames or business names (names) of the entitled persons, their place of residence (seat), number, kind and identification numbers of shares and the number of votes they are entitled to shall be laid out on the premises of the management board for three working days prior to the general meeting. Natural persons may state their address for service of process in lieu of the place of residence. Any shareholder may examine the list of shareholders on the premises of the management board and request a copy of the same against refund of costs of execution.

§ 1[1]. [*This paragraph comes into force on 3 August 2009.*] A shareholder of a public company may demand to be sent the list of shareholders free of charge by e-mail, stating the address to which the list is to be sent.

§ 2. Any shareholder may request to be issued copies of motions on matters included in the agenda one week before the general meeting.

§ 3. Where the vote carried by a share is vested in a pledgee or usufructuary, this shall be duly noted on the list of shareholders on motion of this entitled person.

Article 408. § 1. Unless otherwise provided in this Section or in the company articles, the general meeting shall be valid regardless of the number of shares represented therein.

§ 2. The general meeting may, by a majority of two thirds, order an adjournment. All adjournments shall last no more than thirty days cumulatively.

Article 409. § 1. Unless otherwise provided in this Section or in the company articles, the chairperson of the supervisory board or deputy chairperson shall open the general meeting, whereupon the presiding person shall be elected from among those entitled to participate in the general meeting. In the absence of said persons, the president of the management board or a person appointed by the management board shall open the general meeting.

§ 2. The chairperson of the general meeting may not, without the consent of the general meeting, strike matters from the agenda or alter the order in which they figure on the agenda.

Article 410. § 1. The list of attendance which shall contain a list of general meeting members, stating the number of shares each member represents and number of votes carried by them, signed by the chairperson of the general meeting, shall be made forthwith on election of the chairperson, and laid out throughout the time the general meeting proceeds.

§ 2. At the request of shareholders holding one-tenth of the initial capital represented at the general meeting, the list of attendance shall be verified by a commission elected for this purpose, composed of no less than three members. The persons making the request are entitled to elect one commission member.

Article 411. § 1. A share shall carry one vote in the general meeting.

§ 2. The right to vote shall commence as of the day on which the share has been fully paid up, save where company articles otherwise provide.

§ 3. The company articles may limit the voting right of a shareholder commanding more than one-tenth of the total number of votes in the company. Votes enjoyed by the shareholder as a pledgee or usufructuary or under another legal title shall be added to the number of votes commanded by the shareholder. Said limitation may also relate to other persons having a voting right as pledgees, usufructuaries, or under other legal titles. This limitation may only refer to exercising the voting rights attached to shares in excess of the limit of votes specified in the articles.

§ 4. The articles may also provide for the accumulation of votes held by shareholders between whom the relationship of dominance or dependency exists within the meaning of this Act or a separate Act, and may also determine the rules for reduction of votes. In this case, the votes in shares of the controlling company or cooperative shall be added to the votes in shares of the subsidiary company or cooperative.

Article 411[1]. § 1. A shareholder of a public company may cast a vote at a general meeting by correspondence if the rules of the general meeting so provide.

§ 2. A public company shall immediately make available on the website the forms enabling the exercise of the voting right in respect of draft resolutions submitted by

shareholders and announced on the website pursuant to Article 401, paragraph 4. The provision of Article 402^3, paragraph 2 shall apply.

§ 3. A vote cast otherwise than on a form, or on a form not meeting the requirements indicated in Article 402^3, paragraph 3, or additional requirements provided for in the company's articles or rules of the general meeting, shall be invalid.

§ 4. A public company shall take appropriate measures to identify a shareholder voting by correspondence. These measures shall be proportionate to achieving the objective.

Article 411^2. § 1. When calculating quorum and voting results, votes cast by correspondence which the company received not later than at the time when the voting was ordered at the general meeting shall be taken into account.

§ 2. Votes cast by correspondence shall be made known from the time of announcement of voting results.

§ 3. Filing an objection by correspondence shall be tantamount to a demand that the objection be put in the minutes made by a shareholder attending the general meeting and shall give the right to complain against the resolution of the general meeting.

§ 4. A shareholder who cast a vote by correspondence shall lose the right to cast a vote at the general meeting. However, a vote cast by correspondence may be revoked by a declaration submitted to the company. A declaration on revocation shall be effective if the company received the same no later than at the time when the voting was ordered at the general meeting.

§ 5. Voting by correspondence may also concern matters identified in Article 420, paragraph 2, unless the rules of the general meeting provide otherwise. Casting a vote by correspondence shall be tantamount to the shareholder's consent for resignation from the secret voting procedure.

Article 411^3. A shareholder may vote differently from each of the shares he or she holds.

Article 412. § 1. A Shareholder may participate in the general meeting and exercise his or her voting right personally or by proxy.

§ 2. The right to appoint a proxy at the general meeting and the number of proxies shall not be subject to limitations.

§ 3. A proxy shall exercise all rights of the shareholder at the general meeting, unless the contents of the proxy provide otherwise.

§ 4. A proxy may grant a sub-proxy if this results from the content of the proxy.

§ 5. A proxy may represent more than one shareholder and vote differently from each shareholder's shares.

§ 6. The shareholder of a public company holding shares recorded on multiple securities accounts may appoint separate proxies to exercise voting rights attached to the shares recorded on each account.

§ 7. The provisions on the exercise of voting right by proxy shall apply to the exercise of voting right through another representative.

Article 412[1]. [*The provisions of this Article come into force on 3 August 2009.*] § 1. A proxy to participate in the general meeting and to exercise the voting right shall be made in writing under pain of nullity.

§ 2. A proxy to participate in the general meeting of a public company and to exercise the voting right shall require being granted such in writing or in electronic form. Granting the proxy in electronic form shall not require to be provided with an advanced electronic signature verifiable by means of a valid qualified certificate.

§ 3. The articles may not introduce any further restrictions concerning the form of granting proxy.

§ 4. A public company shall indicate to shareholders at least one manner of notifying by electronic communication means of the granting of proxy in electronic form. The manner of notifying shall be governed by the rules of the general meeting and if there are no rules the company's management board shall decide.

§ 5. A public company shall take appropriate measures to identify the shareholder and proxy in order to verify the validity of a proxy granted in electronic form. These measures shall be proportionate to achieving the objective.

§ 6. The provisions of paragraphs 1 to 5 shall apply accordingly to revocation of a proxy granted.

Article 412[2]. [*The provisions of this Article come into force on 3 August 2009.*] § 1. Neither a management board member nor an employee of the company may act as proxies at a general meeting.

§ 2. The provision of paragraph 1 shall not apply to a public company.

§ 3. If the proxy at a general meeting of a public company is a management board member, supervisory board member, liquidator, employee of a public company or a member of its bodies, or an employee of a company or cooperative subsidiary to the company, the proxy granted may authorize him/her to representation only at one general meeting. The proxy shall be obliged to disclose to the shareholder any circumstances indicating the existence or the possibility of arising of a conflict of interests. Granting a sub-proxy shall be excluded.

§ 4. The proxy referred to in paragraph 3 shall vote in accordance with instructions given by the shareholder.

Article 413. § 1. [*This paragraph comes into force on 3 August 2009.*] A shareholder shall not, either personally or by proxy or as another person's proxy, vote on adoption of resolutions concerning his accountability to the company on whatever account, including on granting him a vote of acceptance, release from an obligation to the company, or a dispute between him and the company.

§ 2. [*This paragraph comes into force on 3 August 2009.*] A shareholder of a public company may vote as a proxy on adoption of resolutions concerning him in person, as referred to in paragraph 1. The provisions of Article 412[2], paragraphs 3 and 4, shall apply accordingly.

Article 414. Save as otherwise provided in this Section or in the company articles, resolutions shall be adopted by an absolute majority of votes.

Article 415. § 1. The resolution concerning a convertible bond issue and a bond issue with pre-emptive right to take up shares, amendment to the company articles, redemption of shares, initial capital reduction, transfer of an enterprise or organized part thereof and dissolution of the company shall be adopted by a majority of three fourth votes.

§ 1[1]. The resolutions in the matter of financing by the company of acquisition or taking up of the shares issued by it shall be adopted by a two-thirds majority of

votes. However, where at least half of the initial capital is represented at the general meeting, an absolute majority of votes shall suffice to adopt the resolution.

§ 2. In the case referred to in Article 397, an absolute majority of votes shall suffice for a resolution on dissolving the company to be adopted, unless the company articles provide otherwise.

§ 3. A resolution on amending the company articles, increasing performances by shareholders or depleting rights vested in certain shareholders personally pursuant to Article 354 shall require the consent of all shareholders concerned.

§ 4. Where at least half of the initial capital is represented at the general meeting, a simple majority of votes shall suffice for a resolution on the redemption of shares to be adopted.

§ 5. The company articles may set more rigorous requirements on adopting the resolutions referred to in paragraphs 1 to 4.

Article 416. § 1. A two-thirds majority of votes shall be required for adopting a resolution on a material change of the object of the company's activity.

§ 2. In the case referred to in paragraph 1, each share shall carry one vote without preferences or restrictions.

§ 3. The resolution shall be adopted by open voting in person and it shall be published.

§ 4. The effect of the resolution shall be contingent upon the buying out of shares of those shareholders who objected to the amendment. The shareholders present at the general meeting who voted against the resolution shall, within two days from the general meeting day, deposit with the company their shares or certificates attesting that the shares have been placed at the disposal of the company, and those who were absent shall do so within one month from the date of publishing the resolution; failing this, these shareholders shall be deemed to have agreed to the amendment.

§ 5. Repealed.

Article 417. § 1. Shares shall be bought out at a price quoted on the regulated market, at the average price of the last three months preceding adoption of the resolution or, where shares are not quoted on the regulated market, at a price determined by an expert chosen by the general meeting. Where shareholders have not chosen the expert at the same general meeting, the management board shall, within one week from the general meeting date, apply to the registration court requesting appointment of an expert with the object of valuating the shares subject to buyout. The provisions of Article 312, paragraphs 5, 6 and 8 shall apply respectively. The shares shall be bought out through the management board.

§ 2. Those proposing to buy out shares shall pay an amount equal to the price of all shares to be acquired (buyout price) into the company's bank account within three weeks from the day on which the management board published the buyout price. The buyout price may also be announced at the general meeting.

§ 3. The management board shall buy out shares for account of the shareholders remaining in the company within one month from the share deposit date referred to in Article 416, paragraph 4, but not before the buyout price has been paid in.

§ 4. The company articles may provide for amending the object of the company's activity without a buyout, provided the resolution is adopted by a majority of two-thirds of all votes in the presence of persons representing at least half of the initial capital.

Article 418. § 1. The general meeting may adopt a resolution on the compulsory buyout of shares of shareholders representing no more than 5 per cent of the initial capital (minority shareholders) by no more than five shareholders whose cumulative holdings amount to no less than 95 per cent of the initial capital and who hold no less

than 5 per cent of the initial capital each. The resolution shall require a majority of 95 per cent of the votes cast. The company articles may set more rigorous requirements on adopting the resolution. The provisions of Article 416, paragraphs 2 and 3 shall apply respectively.

§ 2. The resolution referred to in paragraph 1 shall identify the shares subject to buyout and the shareholders who undertake to buy out the same and it shall determine shares attributable to each buyer. The shareholders who are to acquire the shares and voted for the resolution shall be liable jointly and severally to the company for the entire buyout amount.

§ 2a. Minority shareholders whose shares are subject to compulsory buyout shall within one month from the date on which the resolution is published deposit with the company share title deeds, or certificates attesting that the same have been placed at the disposal of the company. Failing timely deposit by a shareholder of the share title deed the same shall be annulled by the management board pursuant to Article 358 and a new share title deed with the same issue number shall be issued to the acquirer.

§ 2b. The effect of the resolution on the compulsory buyout of shares shall be contingent upon the buying out of shares presented for buyout by those minority shareholders whose shares have not been covered by the resolution referred to in paragraph 1. These shareholders, if they attended the general meeting, shall within two days of the general meeting deposit with the company share title deeds or certificates attesting that the same have been placed at the disposal of the company, and the remaining shareholders shall do so within one month of the date of publishing the resolution. Shareholders who have failed to deposit said documents in a timely manner shall be deemed to have agreed to remain shareholders of the company.

§ 3. The provisions of Article 417, paragraphs 1 to 3, shall apply respectively. After the buyout price has been paid, including for the shares referred to in paragraph 2b, the management board shall forthwith transfer the shares bought out to the acquirers. Pending the payment of the full buyout amount the entirety of rights in the shares shall remain with the minority shareholders.

§ 4. The provisions on compulsory buyout of shares shall not apply to public companies.

Article 418[1]. § 1. A shareholder or shareholders representing not more than 5 per cent of the initial capital may demand the putting on the agenda of the next general meeting the issue of passing a resolution on compulsory repurchase of their shares by not more than five shareholders representing jointly not less than 95 per cent of the initial capital, where each of them holds not less than 5 per cent of the initial capital (majority shareholders). The provisions of Article 416, paragraphs 2 and 3 shall apply accordingly.

§ 2. The demand referred to in paragraph 1 shall be reported to the management board not later than one month before the proposed date of the general meeting. The minority shareholders who did not demand the repurchase of their shares but wish to be covered by the resolution on compulsory repurchase shall submit the demand for repurchase of their shares to the management board not later than within one week after the day of announcement of the agenda of the general meeting.

§ 3. The resolution referred to in § 1 shall specify the shares subject to compulsory repurchase and the shareholders who are obliged to repurchase the shares and it shall also specify the shares falling to each of the acquirers. If the resolution does not specify another mode of distribution of shares falling to each of the acquirers, majority shareholders shall be obliged to acquire the shares pro rata to their shareholdings.

2

§ 4. If the resolution referred to in § 1 is not passed at the general meeting, the company shall be obliged to acquire the shares from minority shareholders within 3 months after the general meeting date in order to redeem them. The majority shareholders shall be liable to the company for the repayment of the total repurchase price pro rata to the shares held on the date of the general meeting referred to in § 1.

§ 5. The minority shareholders whose shares are subject to compulsory repurchase shall, within one month after the general meeting date, submit to the company their share title deeds or the receipts of the submission thereof to the company's disposal.

§ 6. The share repurchase price shall be equal to the value of net assets per share as shown in the financial statement for the last financial year reduced by the amount designed for distribution among the shareholders. Until the day of payment of the entire repurchase sum, the minority shareholders shall retain all their rights attached to shares. The provisions of Article 417, paragraphs 2 and 3 shall apply accordingly.

§ 7. If a shareholder or a company participating in share repurchase disagree about the repurchase price specified in paragraph 6, they may apply to the registration court for appointing an expert auditor to determine the share market price, and if such price is lacking, the fair repurchase price of shares. The provisions of Article 312, paragraphs 5, 6, and 8 shall apply accordingly.

§ 8. The provisions on compulsory repurchase of shares shall not apply to public companies, companies in liquidation, and companies in bankruptcy, unless the resolution of the general meeting on the compulsory share repurchase was adopted at least 3 months before the declaration of liquidation or bankruptcy.

Article 419. § 1. Where different shares of the company carry different rights, the resolutions on amending the company articles, decreasing the initial capital and redeeming shares which are capable of infringing rights of shareholders holding different types of shares shall be adopted by separate voting by the different groups (types) of share. Each shareholder group shall adopt the resolution by such a majority of votes as is required for adopting this kind of resolution at a general meeting.

§ 2. The provisions of paragraph 1 shall apply equally to making such new issues of preference shares that carry the same rights as the existing preference shares, or different rights capable of infringing the rights of existing preference shareholders. The aforesaid shall not apply where the company articles provide for making a new issue of preferred shares.

§ 3. The revocation of preference attached to a non-voting share shall have the effect of making the shareholder entitled to vote such a share.

§ 4. The company articles may provide that the revocation or limitation of preferences attaching to different types of share and personal preferences accorded on a case-by-case basis to a designated shareholder shall be effected against damages.

Article 420. § 1. Voting shall be open.

§ 2. Secret voting shall be ordered on elections and on motions for recalling members of the company's bodies and liquidators, proceeding against them, and on personal matters. Furthermore, secret voting shall be ordered should at least one shareholder present or represented at the general meeting so require.

§ 3. The general meeting may adopt a resolution on waiving the secrecy of voting on matters concerned with electing a commission appointed by the general meeting.

§ 4. The provisions of paragraphs 1 and 2 shall not apply where only one shareholder participates in the general meeting.

Article 421. § 1. Resolutions of a general meeting shall be recorded in a minutes made by a notary.

§ 2. [*This paragraph is valid until 2 August 2009.*] The minutes shall state that the general meeting was properly convened and was capable of adopting resolutions, specify the resolutions adopted, number of votes cast for each resolution and objections raised. An attendance list with the signatures of those participating in the general meeting shall be appended to the minutes. The management board shall file evidence of the general meeting having been convened in the book of minutes.

§ 2. [*This paragraph comes into force on 3 August 2009.*] The minutes shall state that the general meeting was properly convened and was capable of adopting resolutions and specify the resolutions adopted, while for each resolution it shall specify: the number of shares, on the basis of rights attached to which valid votes have been cast, the percentage proportion of these shares in the initial capital, the total number of valid votes, the number of votes "for", "against" and abstentions, as well as the objections raised. An attendance list with the signatures of those participating in the general meeting and a list of shareholders voting by correspondence or otherwise by electronic communication means shall be appended to the minutes. The management board shall file evidence of the general meeting having been convened in the book of minutes.

§ 3. The management board shall file a copy of the minutes, including the evidence of a general meeting having been convened and powers of attorney issued by shareholders, in the book of minutes. Shareholders shall be free to inspect the book of minutes and request to be issued copies of resolutions certified by the management board.

§ 4. [*This paragraph comes into force on 3 August 2009.*] Within a week of the completion of the general meeting, a public company shall disclose on its website the voting results to the extent indicated in the provision of paragraph 2. Voting results shall be available by the day when the time limit for complaining against general meeting resolutions elapses.

Article 422. § 1. A general meeting resolution that is contrary to the company articles or good practice and prejudicial to interests of the company or intended to wrong a shareholder may be appealed by an action for revoking the resolution brought against the company.

§ 2. The right to bring an action for revoking the resolution of a general meeting shall be vested in:

1) the management board, supervisory board and individual members of said bodies;

2) the shareholder who voted against the resolution and, upon the resolution being adopted, demanded that his objection be put on record; the voting requirement shall not apply to the shareholder holding a non-voting share;

3) the shareholder who was unduly prevented from participating in the general meeting;

4) the shareholders who were absent from the general meeting, exclusively in the event that the general meeting had been improperly convened or the resolution was adopted on a matter not included in the agenda.

Article 423. § 1. The lodging of an appeal against a resolution of a general meeting shall not stay the registration proceedings. The registration court may nevertheless suspend the registration proceedings upon holding a hearing.

2 § 2. Where an evidently groundless action has been brought for revoking a resolution of general meeting, the court may, at the request of the defendant company, give judgment against the plaintiff for a sum of up to ten times the judicial proceed-

ings cost and the fee of one advocate or legal counsel. The aforesaid shall not prejudice the right to seek relief on general terms.

Article 424. § 1. An action for having a resolution of a general meeting revoked shall be brought no later than one month from obtaining information on the resolution, but no later than six months from the date of the resolution.

§ 2. In the case of a public company, the time limit for bringing action shall be one month from obtaining information on the resolution, but no later than three months from the date of the resolution.

Article 425. § 1. The persons or company bodies referred to in Article 422, paragraph 2 shall be entitled to bring action against the company seeking to have an unlawful resolution of a general meeting pronounced invalid. The provisions of Article 189 of the Code of Civil Procedure shall not apply.

§ 2. The right to bring action shall expire on the elapse of six months from the entitled person having became aware of the resolution, but no later than after two years from the day on which the resolution was adopted.

§ 3. An action for pronouncing invalid a resolution of a general meeting of a public company shall be brought no later than thirty days from the date of promulgation thereof, but no later than one year from the day on which the resolution was adopted.

§ 4. The elapse of the time limits laid down in paragraphs 2 and 3 shall not preclude challenging the resolution on the grounds of invalidity.

§ 5. The provisions of Article 423, paragraphs 1 and 2 shall apply respectively.

Article 426. § 1. In a dispute on revoking or pronouncing invalid a resolution of a general meeting, the defendant company shall be represented by the management board, unless the general meeting has by resolution appointed an attorney for this purpose.

§ 2. If the management board may not act for the company, and in the absence of a resolution of a general meeting on appointing an attorney, the court competent for the dispute shall appoint a curator to act for the company.

Article 427. § 1. The final judgment revoking the resolution shall be binding in relations between the company and all shareholders and between the company and members of its bodies.

§ 2. Where the validity of an act performed by the company depends on the resolution of a general meeting, the revocation of such resolution shall have no effect on third parties acting in good faith.

§ 3. The management board shall, within a week, notify the registration court of the final judgment revoking the resolution.

§ 4. The provisions of paragraphs 1 to 3 shall apply respectively to a judgment awarded in an action for pronouncing a resolution invalid, which was brought pursuant to Article 425, paragraph 1.

Article 428. § 1. In the course of a general meeting the management board shall, at a shareholder's request, furnish him with information concerning the company if assessing a matter on the agenda so warrants.

§ 2. [*The provisions of this paragraph are valid until 2 August 2009.*] The management board shall refuse to furnish information, if:

1) this might damage the company or its related company or a subsidiary company or cooperative, particularly as a result of disclosure of technical, commercial or organizational secrets of the enterprise;

2) a management board member would thus be exposed to criminal, civil-law or administrative liability.

§ 2. [*This paragraph comes into force on 3 August 2009.*] The management board shall refuse to furnish information if this might damage the company or its related company or a subsidiary company or cooperative, particularly as a result of disclosure of technical, commercial or organizational secrets of the enterprise.

§ 3. [*This paragraph is valid until 2 August 2009.*] Where circumstances so warrant, the management board may furnish information in writing no later than two weeks after conclusion of a general meeting.

§ 3. [*This paragraph comes into force on 3 August 2009.*] A management board member may refuse to furnish information if furnishing it might be the grounds for its criminal, civil-law or administrative liability.

§ 4. [*This paragraph is valid until 2 August 2009.*] The management board may furnish a shareholder with information about the company outside the general meeting, subject to constraints arising from the provisions of paragraph 2. This information, together with the date of disclosure and person to whom it was disclosed, shall be revealed by the management board in writing in materials submitted to the next general meeting. Said materials need not include published information and that released in the course of general meeting.

§ 4. [*This paragraph comes into force on 3 August 2009.*] The answer shall be deemed given if relevant information is available on the company's website in a place designated for asking questions by the shareholders and giving them answers.

§ 5. [*This paragraph comes into force on 3 August 2009.*] In the case referred to in paragraph 1 the management board may furnish information in writing outside the general meeting if there are serious reasons to support that. The management board shall be obliged to furnish the information within no more than two weeks of the day when the demand was made during the general meeting.

§ 6. [*This paragraph comes into force on 3 August 2009.*] Where a shareholder submits, outside the general meeting, a motion for furnishing information concerning the company, the management board may furnish the shareholder with information in writing, taking into account the restrictions resulting from the provision of paragraph 2.

§ 7. [*This paragraph comes into force on 3 August 2009.*] The information furnished to a shareholder outside the general meeting, together with the date of furnishing and person to whom it was furnished, shall be disclosed by the management board in writing in documentation submitted to the next general meeting. The information submitted to the next general meeting need not include information made available to the public and that released in the course of general meeting.

Article 429. § 1. A shareholder who was refused requested information during the general meeting and who reported an objection to the minutes may apply to the registration court requesting that the management board be obliged to furnish the information.

§ 2. The application shall be filed within one week from the conclusion of the general meeting at which the information was refused. The shareholder may also apply to the registration court requesting that the company be bound over to publish such information as was furnished to another shareholder outside the general meeting.

Chapter 4. Amending Company Articles and Ordinary Initial Capital Increase

Division 1. General Provisions

Article 430. § 1. An amendment to the company articles shall require a resolution of general meeting and registration.

§ 2. The management board shall notify the registration court of the amendment to company articles. The notification of amendment to a company articles may not be made upon the elapse of three months from the day on which the general meeting adopted the resolution, subject to Article 431, paragraph 4 and Article 455, paragraph 5.

§ 3. Amendments to the data referred to in Articles 318 and 319 shall be entered in the register at the same time as the amendment to company articles.

§ 4. The provisions of Articles 324 and 327 shall apply respectively to the registration of amendments to company articles.

§ 5. The management board may authorize the supervisory board to put together the uniform text of amended company articles or to make such other editorial changes as may be defined in the resolution of a general meeting.

Article 431. § 1. An initial capital increase shall require an amendment to the company articles and shall be effected by making new issues of shares or by increasing the nominal value of the existing shares.

§ 2. New shares may be taken up by means of:

1) the company making an offer and the same being accepted by the designated offeree; the acceptance shall be in writing on pain of being invalid (private subscription);

2) shares being offered exclusively to the shareholders who enjoy the preemptive right (closed subscription);

3) shares being offered, by an announcement made pursuant to Article 440, paragraph 1, to those who do not enjoy the preemptive right (open subscription).

§ 3. The initial capital may be increased only after no less than nine tenths of the existing initial capital has been paid up. The above provision shall not apply to the merger of companies.

§ 3a. Adoption by the general meeting of a resolution to increase the initial capital providing for a take-up of new shares by private subscription or open subscription by a designated offeree shall require presence of shareholders representing at least one-third of the initial capital. Where the general meeting convened for the purpose of adopting said resolution was not held due to lack of this quorum, a next general meeting may be convened during which the resolution may be adopted irrespective of the number of shareholders present at the meeting, unles the articles provide otherwise.

§ 4. The resolution on initial capital increase may not be notified to the registration court after the elapse of six months from the date of its adoption, and in the case of shares of a new issue offered under a public offer covered by an issue prospectus or information memorandum, by virtue of the provisions on public offer and the conditions of introducing financial instruments to organized trading system and on public companies – after the elapse of twelve months from the day of approving the issue prospectus or information memorandum, respectively, or declaring the equivalence of the information in the information memorandum to the information required in the issue prospectus, and no later than after the elapse of one month from the day of allocation of shares, provided that the application for approving the issue prospectus or information memorandum or the application for declaring the

equivalence of the information in the information memorandum to the information required in the issue prospectus may not be filed after the elapse of four months from the day of adopting the resolution to increase the initial capital.

§ 5. The management board shall return cash or non-cash contributions to persons, who have taken up shares no later than one month after the elapse without effect of the six-month time limit referred to in paragraph 4, and where the initial capital increase was notified to the registration court, before the elapse of one month, counted from the date on which the court's decision on refusal of registration became final. This provision shall be without prejudice to Article 438, paragraphs 3 and 4 and Article 439, paragraph 3.

§ 6. The taking up of shares pursuant to paragraph 2, subparagraph 1 shall not be contingent upon a condition or time limit.

§ 7. The provisions of Articles 308 to 312[1], Article 315, paragraph 2, Article 316, paragraph 2, Article 317, Article 321, paragraph 2, Article 322 and Article 328, paragraph 5 shall apply accordingly to the increase of the initial capital.

Article 432. § 1. The resolution on initial capital increase shall state:

1) amount by which the initial capital is to be increased;

2) designation of the shares of new issue as registered or bearer shares;

3) special rights, where the resolution provides for vesting the same in shares of the new issue;

4) issuing price of the new shares, or authority delegated to the management board or supervisory board to set the issuing price;

5) date as of which the new shares are to participate in dividend;

6) subscription opening and closing dates, or authority delegated to the management board or supervisory board to set the said dates, or a time limit for conclusion by the company of a contract for taking up the shares pursuant to Article 431, paragraph 2, subparagraph 1;

7) objects of non-cash contributions and valuation of the same, also persons who are to take up shares for said contributions, including the number of shares to be allocated to each such person if the shares are to be taken up for non-cash contributions.

§ 2. The resolution on initial capital increase shall also name the day for identifying shareholders enjoying the preemptive right for new shares (the preemptive right day) unless they have been excluded from this right in whole. The preemptive right day shall be set no later than upon the elapse of three months from the day on which the resolution was adopted, and in the case of a public company – six months from the day on which the resolution was adopted.

§ 3. The published agenda of general meeting shall indicate the proposed preemptive right day.

§ 4. A resolution on the increase of initial capital may, in the case of shares of a new issue offered under a public offer covered by an issue prospectus or information memorandum subject to approval, include an authorization of the management board or supervisory board to specify the final amount by which the initial capital is to be increased, provided that the amount specified in this manner may not be either lower that the minimum amount determined by the general meeting, or higher than the maximum amount of the increase determined by the general meeting.

Article 433. § 1. The shareholders shall have the right of priority to take up new shares in proportion to the number of shares held (the preemptive right).

2 § 2. The general meeting may, in the interest of the company, divest the shareholders of the preemptive right, in part or in whole. The resolution of general meeting shall be adopted by a majority of four-fifths of votes. The shareholders may be

divested of preemptive right for shares if this matter has been put on the agenda of the general meeting. The management board shall present to the general meeting a written opinion stating the grounds for the divestment of the preemptive right and a proposed issuing price of the shares or the manner of fixing said price.

§ 3. The provisions of paragraph 2 shall not apply where:

1) a resolution on capital increase provides for the new shares to be taken up in whole by a financial institution (sub-issuer) subject to the duty to subsequently offer the shares to shareholders so that they may exercise the preemptive right on the terms stated in the resolution;

2) a resolution provides for the new shares to be taken up by the sub-issuer in the event that the shareholders who enjoy the preemptive right fail to take up a proportion or entirety of the shares offered them.

§ 4. The sub-issuer shall not take up shares otherwise than for cash contributions.

§ 5. The approval of a general meeting shall be required for concluding with the sub-issuer the contract referred to in paragraph 3. The general meeting shall adopt the resolution on the motion of the management board to which the supervisory board has given its opinion. The company articles or resolution of a general meeting may provide for delegating this authority to the supervisory board.

§ 6. The provisions of paragraphs 1 to 5 shall apply equally to issues of securities convertible into shares or incorporating the right to subscribe for shares.

Division 2. Subscription for Shares

Article 434. § 1. The management board shall offer shares in respect of which shareholders enjoy the preemptive right by an announcement.

§ 2. The announcement shall state:

1) date of the resolution on initial capital increase;

2) amount of the proposed initial capital increase;

3) number, type and nominal value of shares subject to the preemptive right;

4) share issuing price;

5) terms of allocation of the shares to existing shareholders;

6) place and time and amount to be paid towards shares, also consequences of failure of exercise of the rights and of failure of due payments;

7) time limit on elapse which the person subscribing for shares is no longer bound by the subscription, in the event that no application for registration of the new issue has been made by said time;

8) time limit for exercise of the preemptive right for shares by shareholders; the time shall be no shorter than three weeks from the date of announcement;

9) time limit for announcing the allocation of shares.

§ 3. Where all existing shares of the company are registered shares, the management board may forego the announcement. In such a case, all shareholders shall be notified of the contents of the announcement referred to in paragraph 1 by registered mail. The time limit for exercising the preemptive right shall be no shorter than two weeks from the date of mailing the registered letter to the shareholder.

Article 435. § 1. Failing exercise of the preemptive right for shares by existing shareholders within the first time limit, the management board shall announce the second time limit, of no less than two weeks, for all existing shareholders to take up the remaining shares. The provision of Article 434, paragraph 3, first and second sentence shall apply respectively.

§ 2. The second allocation of shares shall be made according to the following rules:

1) if the number of orders for shares is higher than the number of shares remaining to be taken up, each subscriber shall be allocated a percentage of the shares remaining to be taken up corresponding to his share in the existing initial capital; the remaining shares shall be allocated equally in proportion to the number of applications provided that fractions of shares attributable to individual shareholders shall be deemed not taken up;

2) number of shares allocated to a shareholder pursuant to subparagraph 1 shall not exceed the number of shares for which he has placed an order;

3) management board shall allocate such residual shares as have not been taken up pursuant to subparagraphs 1 and 2 at its discretion, at a price which shall be no lower than the issuing price.

§ 3. The general meeting may vote in different rules for share allocation within the second time limit.

Article 436. § 1. The preemptive right for shares as a part of public offer shall be exercised within a single time limit indicated in the issue prospectus or information memorandum, and in the case of there being no duty to draw up said documents – in the announcement referred to in Article 434, paragraph 1. However, the time limit by which shareholders may exercise the preemptive right indicated in the issue prospectus or information memorandum shall be not shorter than two weeks from making such prospectus or information memorandum, respectively, available to the public.

§ 2. Shareholders who enjoy the preemptive right for shares referred to in paragraph 1 may, within the time limit fixed for exercising the right, subscribe simultaneously for additional shares in numbers not exceeding the size of the issue, in the event that remaining shareholders should fail to exercise their preemptive rights.

§ 3. The management board shall allocate the shares covered by the additional subscription referred to in paragraph 2 in proportion to the numbers applied for.

§ 4. The management board shall allocate the residual shares not taken up pursuant to paragraphs 2 and 3 at its discretion, at a price which shall be no lower than the issuing price.

Article 437. § 1. A subscription for shares shall be in writing, on a standard form prepared by the company in at least two copies for each subscriber; one copy for the subscriber and the other for the company. The subscription instrument shall be submitted to the company, or to a person authorized by the company, by such date as was stated in the announcement, prospectus or registered mail letter referred to in Article 434, paragraph 3.

§ 2. The subscription shall contain:

1) designation of the numbers and types of shares subscribed for;

2) amount paid towards the shares;

3) subscriber's acceptance of the wording of the company articles, if the subscriber is not a shareholder of the company;

4) signatures of the subscriber and company, or another subject authorized to receive subscriptions and payments towards shares;

5) address of the subject authorized to receive subscriptions and payments towards shares.

§ 3. The receipt of subscription may be confirmed with a seal or mechanically duplicated signature.

§ 4. A subscription for shares made subject to a condition or qualified as to time shall be invalid.

§ 5. A subscriber's declaration that does not include all the data referred to in paragraph 2 shall be invalid. Additional stipulations that are not provided for in the standard form shall be without legal effect.

Article 438. § 1. The time fixed for subscribing for shares shall not exceed three months from the subscription opening date.

§ 2. If, within the time limit referred to in paragraph 1, the entirety or at least a certain minimum number of offered shares are not subscribed for and duly paid up, the initial capital increase shall be deemed ineffective.

§ 3. The management board shall, within two weeks from the subscription closing date, announce the ineffectiveness of initial capital increase in the papers in which announcements of subscription were made; at the same time it shall call on the subscribers to collect the sums paid. The provision of Article 434, paragraph 3, second sentence shall apply respectively.

§ 4. The time limit fixed for collecting the sums paid shall be no longer than two weeks from the date of publishing the summons referred to in paragraph 3, or from receipt by the shareholder of the registered mail letter.

Article 439. § 1. Where at least a certain minimum number of shares to be taken up have been subscribed for and duly paid up, the management board shall, within two weeks from the subscription closing date, allocate shares to the subscribers in accordance with the published share allocation rules.

§ 2. Lists of subscribers stating the number and type of shares allocated to each subscriber shall be laid open to public inspection no later than one week from the share allocation date and they shall be left for inspection during the next two weeks at the places where subscriptions were received.

§ 3. The persons to whom no shares were allotted shall be summoned, no later than two weeks after the share allocation completion date, to collect the sums paid. The provisions of Article 438, paragraph 4 shall apply respectively to the collection of the said sums.

Article 440. § 1. Where shares of a new issue are to be taken up under an open subscription, the announcement inviting subscriptions for the shares shall contain the data specified in Article 434, paragraph 2, subparagraphs 1 to 7 and 9 and:

1) number and date of the *Monitor Sądowy i Gospodarczy* issue in which the company articles were published;

2) business name and address of the company;

3) business name and address of the subissuer and the price at which the shares were offered to him, where the company has made an agreement with the subissuer;

4) business name and address of the subject taking subscriptions for and payments towards the shares, where the company has given this authority;

5) time limit for making subscription for the shares; the said time limit shall be no shorter than two weeks from the date of announcement.

§ 2. The provisions of Articles 437 to 439 shall apply to the open subscription.

§ 3. The provisions of paragraph 1 and Article 434 shall not apply to subscription for shares as a part of public offer covered by the issue prospectus or information memorandum by virtue of the provisions specified in Article 431, paragraph 4.

Article 441. § 1. The management board shall notify the initial capital increase to the registration court.

§ 2. The following shall be appended to the notification:

1) resolution of the general meeting on initial capital increase, or the resolution of general meeting referred to in Article 446, paragraph 1;

2) announcement and a subscription specimen, where the capital was increased by subscription, whether open or closed;

3) list of share buyers, showing the number of shares allotted to each and the sums paid in;

4) proof of approval of the amendment to company articles by the competent public authority, where such approval is required for amending the company articles;

5) statement by all management board members that contributions towards shares have been made, and where non-cash contributions are to be made upon registration of the capital increase, that the transfer of these contributions to the company by the date fixed in the resolution on initial capital increase is assured;

6) where the shares were taken up under private subscription – contract for taking up shares or, in the case of share subscription as a part of public offer covered by the issue prospectus or information memorandum by virtue of the provisions specified in Article 431, paragraph 4 – share subscription standard form filled in by the subscriber;

7) the management board statement referred to in Article 310, paragraph 2 in connection with Article 431, paragraph 7, where the management board made the said statement.

§ 3. In the case of taking up shares as a part of public offer covered by the issue prospectus or information memorandum by virtue of the provisions specified in Article 431, paragraph 4, such document shall be appended.

§ 4. The initial capital increase shall take effect as of its registration.

Division 3. Initial Capital Increase out of Company's Means

Article 442. § 1. The general meeting may increase the initial capital by allocating to this purpose means held in reserve capitals created from profit, if they may be employed to this end (initial capital increase out of company's means), including from reserve capitals created in the circumstances set out in Article 457, paragraph 2, those reserve capitals created from profit which under the company articles are not distributable to shareholders, and the supplementary capital. However, a proportion of the distributable capitals matching the uncovered losses and own shares shall be retained.

§ 2. A resolution on increasing the initial capital out of the company's means may be adopted if the approved financial statement for the preceding financial year shows a profit and an expert auditor's opinion does not contain major reservations as to the company's financial position. Where the latest financial statement was made for a balance-sheet day preceding by at least six months the date of the general meeting which is expected to adopt said resolution, the expert auditor of the company chosen to examine the company's financial statement, or another expert auditor chosen by the supervisory board, shall examine the new balance sheet and profit and loss account, including notes, due to be presented to this general meeting.

§ 3. The new shares to be allotted to shareholders under a general meeting resolution need not be taken up, subject to the provisions of Article 443, paragraph 2.

Article 443. § 1. Shareholders shall be entitled to the shares allotted pursuant to Article 442 in proportion to their holdings in the existing initial capital. Different provisions of the company articles or of a resolution shall be invalid.

§ 2. Where shareholders would be entitled to fractional parts of a share, the general meeting may adopt a resolution on:

1) issuing and turning over to shareholders shares which are not fully paid up out of the company's means, on the condition that the shareholders pay the balance required to meet the issuing price; or

2) paying out to shareholders appropriate amounts representing the difference between the issuing price and the nominal value of the fractions of shares due to them but not taken up.

§ 3. Where the shares referred to in paragraph 2, subparagraph 1 have not been taken up in whole, the management board shall make proper disbursements to the entitled shareholders according to paragraph 2, subparagraph 2. These payments shall not exceed one-tenth of the total nominal value of the shares allotted to shareholders pursuant to Article 442.

§ 4. The management board shall summon the shareholders to submit their share title deeds for updating or replacement no later than within one month from the date of initial capital increase registration.

Chapter 5. Target Capital. Conditional Initial Capital Increase

Article 444. § 1. The company articles may authorize the management board, for a period of no more than three years, to increase the initial capital on the terms defined in this Chapter. The management board may exercise the authority vested in it by making one or more consecutive initial capital increases within the limits set in paragraph 3 (target capital).

§ 2. The authority of increasing the initial capital may be given to the management board for consecutive periods which, however, shall not exceed three years. For this authorization to be made, the company articles must be amended.

§ 3. The target capital amount shall not exceed three fourths of the initial capital as on the day on which the authority is conferred upon the management board.

§ 4. The management board shall issue these shares exclusively for cash contributions, save where the authorization to increase the initial capital allows for the shares being taken up for non-cash contributions.

§ 5. The management board's authority to increase the initial capital shall not extend to the authority of making capital increases out of the company's own means.

§ 6. The management board shall not issue preference shares or grant the rights referred to in Article 354.

§ 7. The authorization to increase the initial capital given to the management board may provide for making issues of subscription warrants referred to in Article 453, paragraph 2 with the time limit for the exercise of the subscription right elapsing no later than the period for which the authorization is given. Provisions of Article 447 shall apply to the issue of subscription warrants by the management board.

Article 445. § 1. A resolution of a general meeting on amending the company articles which provides for authorizing the management board to increase the initial capital within the limits of the target capital shall require a three-fourths majority of votes. The resolution shall be adopted in the presence of shareholders representing no less than half of the initial capital and, if the company is a public company, no less than one third of the initial capital. The resolution shall be duly substantiated.

§ 2. Where the general meeting convened for the purpose of adopting a resolution on target capital has not been held due to lack of the quorum referred to in paragraph 1, another general meeting may be convened, with the presence of shareholders representing no less than one third of the initial capital required for adopting the resolution.

§ 3. The resolution of a general meeting of a public company, referred to in paragraph 2, may be adopted regardless of the number of shareholders present at the general meeting, unless company articles provide otherwise.

Article 446. § 1. A resolution of the management board adopted within the limits of the authorization arising from the company articles shall substitute for a resolution of a general meeting on increasing the initial capital. The management board shall decide on all matters in connection with increasing the initial capital, unless the provisions of this Chapter or the authority conferred upon the management board provide otherwise.

§ 2. Resolutions of the management board on setting the issuing price and distributing shares for non-cash contributions shall require approval of the supervisory board, save where company articles provide otherwise.

§ 3. The resolution referred to in paragraph 1 shall be in notarial deed form.

Article 447. § 1. Whenever the initial capital is increased within the limits of the target capital, a partial or total divestment of the preemptive right shall require a resolution of the general meeting adopted pursuant to Article 433, paragraph 2. Company articles may authorize the management board to effect a total or partial divestment of the preemptive right with the consent of the supervisory board.

§ 2. Adoption by the general meeting of a resolution on amending a company articles that provides for vesting in the management board the power of a partial or total divestment of the preemptive right with the consent of the supervisory board shall require the fulfilment of the conditions defined in Article 433, paragraph 2.

Article 447[1]. If the assessment of non-cash contributions referred to in Article 312[1] by an expert auditor was dispensed with, the company shall announce, prior to making the contributions, the date of adoption of the resolution on the initial capital increase within the limits of the target capital and the information indicated in Article 312[1], paragraph 5. Within one month of the day when contributions were made, the company shall publish a statement confirming there being no extraordinary or new circumstances affecting the valuation of non-cash contributions.

Article 448. § 1. The general meeting may by resolution increase the initial capital subject to a reservation that the persons to whom the right to take up shares of the new issue has been granted exercise said right on terms laid down in the resolution pursuant to Articles 448 to 452 (conditional initial capital increase).

§ 2. A resolution on conditional initial capital increase may be adopted with the object of:

1) granting the right to take up shares to convertible bonds holders or holders of bonds with the priority warrants; or

2) granting the right to take up shares to employees, members of the management board, or supervisory board members, for non-cash contributions representing their receivable debts arising from acquired rights to participate in the profit of the company or its subsidiary company; or

3) granting the right to take up shares to holders of the subscription warrants referred to in Article 453, paragraph 2.

§ 3. The nominal value of a conditional initial capital increase shall be no higher than twice the amount of the initial capital as at the day on which the resolution referred to in paragraph 1 is adopted.

§ 4. An initial capital increase made with the object of granting rights to take up shares referred to in paragraph 2 shall not be effected otherwise than as a conditional initial capital increase, subject to the provisions on bonds.

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Article 449. § 1. The provisions of Article 445 shall apply to the resolution of a general meeting on conditional initial capital increase. The resolution shall determine in particular:

1) the nominal value of the conditional initial capital increase;

2) the purpose of the conditional initial capital increase;

3) the time limit for exercising the right to take up shares;

4) the designation of the group of persons entitled to take up shares.

§ 2. The provisions on non-cash contributions shall not apply to contributions made by convertible bonds holders.

§ 3. Where the resolution on conditional initial capital increase provides for shares being taken up for non-cash contributions, the contributions shall be examined by an expert auditor. The registration court shall dismiss an application for registration of initial capital increase should the contribution value be lower by at least one fifth than the issuing price of the shares to be taken up for non-cash contributions. The provisions of Article 311, paragraph 1, Article 312 and Article 312[1] shall apply respectively.

§ 4. Where a conditional initial capital increase is made with the object of offering the shares to convertible bond bondholders, the provision of Article 431, paragraph 3 shall not apply.

Article 450. § 1. The management board shall notify a conditional initial capital increase to the registration court. The following shall be appended to the notification:

1) the documents defined in Article 441, paragraph 2, subparagraphs 2 and 4;

2) the resolution on conditional initial capital increase;

3) the management board report and expert auditor's opinion, where shares are to be taken up for non-cash contributions;

4) the resolution of the general meeting on the issue of subscription warrants, where the conditional initial capital increase has been voted in for the purpose identified in Article 448, paragraph 2, subparagraph 3.

§ 2. The management board shall publish the resolution on conditional initial capital increase no later than six weeks after registration of the conditional initial capital increase.

Article 451. § 1. Those entitled to take up shares, defined in the resolution of general meeting, shall take up shares of the conditionally increased initial capital by means of written declaration made out on standard forms prepared by the company. The provisions of Article 437 shall apply respectively to these declarations.

§ 2. Upon registration of the conditional initial capital increase the management board shall issue the share title deeds in accordance with the resolution referred to in Article 449, paragraph 1. In the case of paperless shares of a public company, the issue of share title deeds shall be deemed entering them on securities account pursuant to the provisions on trading in financial instruments.

§ 3. Share title deeds shall be issued only to those shareholders who have made full contributions. The provisions of Article 309, paragraphs 3 and 4 shall not apply.

§ 4. Share title deeds issued in contravention of the provisions of paragraphs 1 to 3 shall be invalid.

Article 452. § 1. Upon issuance of share title deeds pursuant to Article 451, paragraphs 2 and 3, rights attached to shares shall be acquired and the initial capital of the company shall be increased by a sum equal to the nominal value of the shares taken up pursuant to the resolution on conditional initial capital increase.

§ 2. The management board shall, within thirty days from the end of each calendar year, notify the registration court of the number of shares taken up during this year, for the purpose of updating the register entry in respect of the initial capital.

§ 3. The list of persons who exercised their right to take up shares shall be appended to the notification. The list shall contain the forenames and surnames, or business names of the shareholders, numbers of shares taken up by them and the value of contributions made by each shareholder. Moreover, a statement by the management board that the shares were released to those shareholders who made full contributions shall be appended to the notification.

§ 4. The management board of a public company shall give the notification referred to in paragraphs 2 and 3 within one week from the end of each consecutive month, counted from the issuing date of the first share title deed, pursuant to paragraph 1. If in a given month no shares were issued under the conditional initial capital increase procedure, the management board shall notify the registration court accordingly.

Article 453. § 1. The provisions of Chapter 4 shall apply respectively to the target and conditional initial capital increase, unless the provisions of this Chapter stipulate otherwise.

§ 2. A company may, for purposes of increasing its initial capital in accordance with the provisions of this Chapter, make issues of registered securities or bearer securities that entitle the holder to subscribe for or take up shares, excluding the preemptive right (subscription warrants).

§ 3. A resolution on an issue of subscription warrants shall specify:

1) those entitled to take up subscription warrants;

2) the issuing price or the manner of fixing said price, where the subscription warrants are to be issued against a payment;

3) the number of shares per one subscription warrant;

4) the time limit for the exercise of the right in the warrant, provided that this time limit shall not exceed 10 years.

Article 454. The provisions on target capital and conditional capital shall be without prejudice to the competence of the general meeting to make an ordinary initial capital increase pursuant to Article 431 during a period when the management board exercises the powers defined in this Chapter.

Chapter 6. Initial Capital Reduction

Article 455. § 1. A reduction of the initial capital shall be effected, by way of an amendment to the company articles, by reducing the nominal value of shares, consolidating shares, or redeeming a proportion of shares, and in the case of division by separation.

§ 2. The resolution on initial capital reduction and the announcement on summoning the general meeting shall state the purpose of the reduction, the amount by which the initial capital is to be reduced and the mode of making the reduction.

§ 3. Where shares are redeemed pursuant to Article 359, paragraph 7 or Article 363, paragraph 5, a resolution of the management board recorded in a minutes by a notary shall substitute for a resolution of the general meeting.

§ 4. The provisions of this Section on the lowest initial capital amount and shares shall apply to initial capital reduction.

§ 5. The resolution on initial capital reduction may not be notified to the registration court following the elapse of six months from the date on which it was adopted, and in the case of simultaneous reduction of the initial capital and its increase to at

least the original amount by a new issue of shares – from the date determined under Article 431, paragraph 4.

Article 456. § 1. The management board shall forthwith announce the initial capital reduction voted in, summoning creditors to lodge claims against the company within three months from the date of announcement.

§ 2. The company shall satisfy enforceable claims lodged within the time limit set forth in paragraph 1. In addition, creditors may demand securing non-enforceable claims arisen before the day of announcement of the resolution on initial capital reduction and lodged within the time limit set forth in paragraph 1 if they show with a reasonable degree of probability that the reduction threatens the satisfaction of their claims and that they did not receive any security from the company. The security shall be provided by means of depositing an appropriate sum of money with the court or, for valid reasons, also in other ways.

§ 3. The claims to which shareholders are entitled due to the initial capital reduction may be satisfied by the company no earlier than after the lapse of six months of the day of announcement that the initial capital reduction was entered in the register.

Article 457. § 1. The provisions of Article 456 shall not apply in the event that:

1) initial capital reduction notwithstanding, shareholders' contributions towards shares are not returned to them nor are shareholders released from the duty to make contributions towards the initial capital, and simultaneously with the initial capital reduction the initial capital is increased at least to its original value by means of a new issue of shares to be fully paid-up; or

2) initial capital reduction is effected with the object of covering losses suffered, or transferring specified amounts to the reserve capital referred to in paragraph 2, first sentence; or

3) initial capital reduction is effected in the cases referred to in Article 363, paragraph 5.

§ 2. Where the initial capital is reduced pursuant to paragraph 1, subparagraphs 2 and 3, and in the case referred to in Article 360, paragraph 2, sums resulting from the initial capital reduction shall be transferred to a separate reserve capital; this capital shall not be employed otherwise than in covering losses. In the case referred to in paragraph 1, subparagraph 1, if an intended allocation of sums resulting from the initial capital reduction is not determined in the resolution on initial capital reduction, these sums shall add to the supplementary capital.

§ 3. In cases of initial capital reduction referred to in paragraph 1, subparagraphs 2 and 3, the exclusion of Article 456 shall have effect only where upon the reduction of the initial capital an amount of the reserve capital referred to in paragraph 2, first sentence, is no higher than 10 per cent of the decreased initial capital. When calculating the amount of the reserve capital that proportion in which it was set up or increased in the cases referred to in Article 360, paragraph 2, shall not be taken into account.

Article 458. § 1. The management board shall notify the initial capital reduction to the registration court.

§ 2. The following shall be appended to the notification:

1) the resolution of the general meeting or management board on the initial capital reduction;

2) a proof of approval of the amendment to company articles by the competent public authority, where such approval is required for amending the company articles;

3) a proof of summons duly given to creditors;

4) the statement by all management board members asserting that the creditors who lodged claims against the company within the time limit set forth in Article 456, paragraph 1 were satisfied or obtained security.

§ 3. The provisions of paragraph 2, subparagraphs 3 and 4 shall not apply in the cases referred to in Article 360, paragraph 2 and Article 457, paragraph 1. In these cases a statement by all members of the management board, in the form of a notarial deed, on the fulfilment of all conditions of initial capital reduction laid down in this Act and in the company articles, as well as in the resolution on initial capital reduction, shall be appended.

Chapter 7. Dissolution and Liquidation of Company

Article 459. The following shall cause the dissolution of company:

1) causes provided for in the company articles;

2) resolution of a general meeting on dissolving the company or transferring the seat of the company abroad;

3) declaration of bankruptcy made in respect of the company;

4) other causes provided for in the law.

Article 460. § 1. Until the day on which an application for removing the company from the register is filed, dissolution may be averted by a resolution of the general meeting adopted by such majority of votes as is required for amending the company articles, cast in the presence of shareholders representing no less than half of the initial capital.

§ 2. The provision of paragraph 1 shall not apply where the company is dissolved by force of a final decision of the court.

Article 461. § 1. Liquidation shall be opened on the date of the court's decision on company dissolution becoming final, of adoption by the general meeting of a resolution on dissolving the company, or of incidence of another reason for liquidation.

§ 2. Liquidation shall be conducted under the company's business name, with an additional designation "w likwidacji" ["in liquidation"].

§ 3. Pending liquidation, the company shall retain its legal personality.

Article 462. § 1. The provisions on company bodies, rights and duties of shareholders and other provisions of this Section shall apply to the company in liquidation, unless the provisions of this Chapter stipulate to the contrary or the purpose of the liquidation indicates otherwise.

§ 2. Pending liquidation profits shall not be paid out to shareholders, even partly, nor shall assets of the company be divided before all obligations of the company have been paid off.

Article 463. § 1. Save as otherwise provided in the company articles or resolution of a general meeting, members of the management board shall be the liquidators.

§ 2. On motion of shareholders representing no less than one tenth of the initial capital, the registration court may complement the number of liquidators by appointing one or two liquidators.

§ 3. Where the liquidation is decided by the court, the court may at the same time appoint the liquidators.

§ 4. On motion of parties of legal interest, the registration court may, for important reasons, recall liquidators and appoint others to replace them. The liquidators whom the court appointed may be recalled only by the court.

§ 5. The court, which appointed the liquidators, shall set their remuneration.

Article 464. § 1. The opening of liquidation, forenames and surnames of the liquidators and their addresses or addresses for the service, manner of representing the company by the liquidators and any and all changes in this regard shall be notified, even if no change in the previous manner of representing the company has occurred. Each liquidator has the right and duty to give such notification.

§ 2. Specimens of the liquidators' signatures, executed before the court or notarially certified, shall be appended to the notification referred to in paragraph 1.

§ 3. Liquidators appointed by the court and those recalled by the court shall be entered or removed from the register ex officio, respectively.

§ 4. Where the liquidation has been repealed, the liquidators shall notify this circumstance to the registration court for entry in the register.

Article 465. § 1. The liquidators shall twice give announcement about the dissolution of the company and the opening of liquidation, summoning creditors to present their receivable debts within six months from the date of the final announcement.

§ 2. The announcements referred to in paragraph 1 shall not be made at an interval of more than one month or less than two weeks.

Article 466. Save as otherwise provided in this Chapter, the provisions on management board members shall apply to liquidators.

Article 467. § 1. The liquidators shall make the liquidation opening balance sheet. The liquidators shall submit this balance sheet to the general meeting for approval.

§ 2. The liquidators shall, after the end of each financial year, submit to the general meeting a report on their activities and the financial statements.

§ 3. All assets shall be shown in the liquidation balance sheet at their transfer value.

Article 468. § 1. The liquidators shall wind up current affairs of the company, collect receivable debts, fulfil obligations and turn the company's assets into liquid assets (liquidation acts). They may undertake a new business only when this should be required for winding up the current affairs. Immovable properties may be transferred by public auction and they shall not be transferred by unrestricted sale otherwise than under a resolution of a general meeting and at a price at least equal to that voted in by the general meeting.

§ 2. In internal relations, the liquidators shall abide by resolutions of a general meeting. The aforesaid shall not apply to court-appointed liquidators.

Article 469. § 1. Within the limits of their competence defined in Article 468, the liquidators may handle business and represent the company.

§ 2. Limitations on the liquidators' competence shall be without effect on third parties.

§ 3. With respect to third parties acting in good faith, acts performed by liquidators shall be deemed acts of liquidation.

Article 470. § 1. The opening of liquidation shall cause the procuration to expire.

§ 2. No procuration shall be given pending liquidation.

Article 471. Where the initial capital has not been fully paid up and the company's assets do not suffice for meeting its obligations, the liquidators shall exact from each shareholder, starting from shares carrying no preference as to distribution of assets, payments in such amounts as may be needed for meeting obligations.

Article 472. Where the company's assets do not suffice for the repayment of sums paid in for shares preferred as to distribution of assets and where the remaining shares have not been fully paid up, further payments shall be exacted from ordinary shareholders.

Article 473. Sums needed to satisfy or secure those creditors known to the company who have failed to present their claims or whose receivable debts are neither enforceable nor disputed, shall be deposited with the court.

Article 474. § 1. The distribution among shareholders of the assets remaining after the creditors have been satisfied or secured shall not take place before the elapse of one year from the day of the last announcement on opening liquidation and summoning creditors.

§ 2. The assets referred to in paragraph 1 shall be distributed among shareholders in proportion to their payments towards the initial capital.

§ 3. Where preference shares enjoy priority of satisfaction in respect of distribution of assets, the preference shares shall be paid off first to the extent of sums paid towards each, whereupon ordinary shares shall be paid off in the same manner; surplus assets shall be distributed on general terms among all shares.

§ 4. The company articles may determine different terms of assets distribution.

Article 475. § 1. The creditors of the company who have not presented their claims in due time or of whom the company was not aware may demand satisfaction of their claims from such assets as have not yet been distributed.

§ 2. The shareholders who, on elapse of the time limit defined Article 474, paragraph 1, have received in good faith a proportion of the company's assets attributable to them shall not be bound to return the same so that creditors' claims may be covered.

Article 476. § 1. Upon approval by the general meeting of a financial statement as at the day preceding the distribution among shareholders of assets remaining after creditors have been satisfied or secured (liquidation report) and on completion of the liquidation the liquidators shall publish this report in the seat of the company and file it with the registration court and at the same time apply for removing the company from the register.

§ 2. Where a general meeting summoned to approve the report has not been held due to the lack of quorum, the liquidators may perform the acts referred to in paragraph 1 despite the liquidation report not having been approved.

§ 3. The books and documents of the dissolved company shall be put in the custody of a person indicated in the company articles or general meeting resolution. In the absence of such an indication, the registration court shall appoint the custodian.

§ 4. Shareholders and parties in legal interest may, under authority of the registration court, inspect the books and documents.

Article 477. § 1. In the event of bankruptcy of a company, the company shall be dissolved on completion of bankruptcy proceedings, as of being removed from the register. The application for removal from the register shall be filed by the official receiver in bankruptcy.

§ 2. The company shall not be dissolved where the proceedings have concluded in an arrangement or have been repealed or discontinued for other reasons.

§ 3. The liquidators or official receiver in bankruptcy shall notify the dissolution of the company to the competent revenue office, furnishing it with a copy of the liquidation report; they shall also notify such other bodies and institutions as may

be named in separate provisions, furnishing them, on request, with a copy of the liquidation report.

Article 478. The dissolution of a company shall take effect on completion of liquidation as of the company being removed from the register.

Chapter 8. Civil Liability

Article 479. Where members of the management board have deliberately or through negligence given false information in the statement referred to in Article 320, paragraph 1, subparagraphs 3 and 4 or in Article 441, paragraph 2, subparagraph 5, they shall be liable to creditors of the company jointly and severally with the company for three years from the company registration date or initial capital increase registration date.

Article 480. § 1. Whoever, while taking part in the creation of a company, has contrary to the provisions of law and through his own fault caused damage to the company, shall be liable to make good on the damage.

§ 2. This liability shall attach specifically to those, who:

1) inserted or aided and abetted in inserting false data in the company articles, reports, opinions, announcements and records, or otherwise disseminated such data, or omitted or aided and abetted in omitting from said documents data relevant to the company's coming into existence, in particular concerning non-cash contributions, acquisition of assets, or awarding remuneration or special benefits to shareholders and others; or

2) was an accessory to acts conducive to having the company registered on the basis of a document containing false data.

Article 481. Whoever, in connection with a joint-stock company's coming into existence or with increasing its initial capital, secures through his own fault, whether for himself or for another, a remuneration unreasonably in excess of the transfer value of non-cash contributions or assets acquired, or a remuneration or special benefits incommensurate with the services rendered, shall be liable to make good on the damage inflicted upon the company.

Article 482. Whoever, while auditing financial statements of the company, allowed through his own fault a damage to be inflicted upon the company, shall be liable to make good on the damage.

Article 483. § 1. A management board member, supervisory board member and liquidator shall be liable to the company for damage caused through negligence or an action which is against the law or provisions of the company articles, unless he be not at fault.

§ 2. A management board member, supervisory board member and liquidator shall, in discharge of his duties, exercise a degree of diligence proper for the professional nature of his actions.

Article 484. Whoever participated in issuance by the company, whether directly or through third parties, of shares, bonds or other titles to participation in profits or distribution of assets, shall be liable to make good the damage wrought, in the event that he inserted false data in announcements or records or otherwise disseminated such data or, while furnishing data on property standing of the company, concealed circumstances subject to disclosure under the provisions in effect.

Article 485. Where two or more persons caused jointly the damage referred to in Articles 480 to 484, they shall be liable jointly and severally.

Article 486. § 1. Where the company has failed to bring action for relief within one year from the disclosure of the injurious act, any shareholder or person otherwise entitled to participate in profit or in the distribution of assets may file a complaint for making good on the damage done to the company.

§ 2. At the defendant's request made with the first act performed under the proceedings, the court may order a security deposit to be provided as a security for damage the defendant stands to suffer. The court shall determine the amount and kind of the security deposit at its discretion. Failing timely provision of the security deposit, the complaint shall be dismissed.

§ 3. The defendant shall have prior claim on the security deposit before all other creditors of the plaintiff.

§ 4. Where the action has proved groundless and the plaintiff, by bringing the action, acted in ill faith or was flagrantly negligent, the plaintiff shall make good on the damage wrought upon the defendant.

Article 487. Where an action has been brought pursuant to Article 486, paragraph 1 and in the event of bankruptcy of the company, those liable to make good on the damage may not invoke the resolution of a general meeting whereby they were granted a vote of acceptance, or a waiver by the company of its claim for damages.

Article 488. A claim for relief shall be barred by limitation on elapse of three years from the day on which the company became aware of the damage and of the person liable to make good the same. The aforesaid notwithstanding, the claim shall in any event be barred by limitation on elapse of five years from the day on which the injurious event occurred.

Article 489. Action for damages against members of company bodies and liquidators shall be brought according to the seat of the company.

Article 490. The provisions of Articles 479 to 489 shall be without prejudice to the right of shareholders and others to seek relief on general terms.

TITLE IV. MERGERS, DIVISIONS AND TRANSFORMATIONS OF COMPANIES AND PARTNERSHIPS

SECTION I. MERGERS OF COMPANIES AND PARTNERSHIPS

Chapter 1. General Provisions

Article 491. § 1. Companies may merge with other companies or partnerships; however, a partnership may not be the bidding party or the newly formed one.

§ 1^1. A company and a limited joint-stock partnership may merge with a foreign company referred to in Article 2(1) of Directive 2005/56/EC of the European Parliament and of the Council of 26 October 2005 on cross-border mergers of limited liability companies (Official Journal L 310, 25.11.2005, p. 1), established according to the law of a European Union Member State or a state being a party to the Agreement on the European Economic Area and having its seat as specified in its articles, its head office or main establishment in the territory of the European Union or a state being a party to the Agreement on the European Economic Area (cross-border merger). However, a limited joint-stock partnership cannot be a bidding company or a newly-formed company.

§ 2. Partnerships may merge with other partnerships only through formation of a company.

§ 3. Companies or partnerships in liquidation, in the process of the division of assets and in bankruptcy may not merge.

Article 492. § 1. A merger may be effected through:

1) transfer of all assets of a company or partnership (the target one) to another company (the bidding one) in exchange for the shares that the bidding company issues to the shareholders or partners of the target company or partnership (merger by takeover);

2) formation of a company to which the assets of all merging companies or partnerships devolve in exchange for shares of the new company (merger by formation of a new company).

§ 2. Partners or shareholders of the target company or partnership or the companies or partnerships merging by formation of a new company may receive, apart from shares in the bidding company or the newly formed company, additional cash payments whose total amount shall not exceed 10 per cent of the balance sheet value of the allotted shares of the bidding company, determined in accordance with the declaration referred to in Article 499, paragraph 2, subparagraph 4, or 10 per cent of the nominal value of the allotted shares of the newly formed company. Additional capital payments of the bidding company shall be made from the profits or supplementary capital of such company.

§ 3. The bidding company or the newly formed company may make the release of their shares to the shareholders or partners of the target company or shareholders or the companies or partnerships merging by formation of a new company conditional upon making additional cash payments not higher than the amount referred to in paragraph 2.

Article 493. § 1. The target company or partnership or companies or partnerships merging by formation of a new company shall be dissolved, without conducting liquidation proceedings on the day when they are removed from the register.

§ 2. The merger shall be effected on the day when it is entered into the register competent for the seat of the bidding company or the newly formed company accordingly (day of merger). Such entry shall result in removal of the target company or partnership or companies or partnerships merging by formation of a new company, subject to Article 507.

§ 3. The target company or partnership may not be removed from the register before the day of registration of the increase in initial capital of the bidding company, where such increase is to occur, and before the day of entering the merger to the register competent for the seat of the target company or partnership.

§ 4. The companies or partnerships merging by formation of a new company shall not be removed before the day of registration of the new company.

§ 5. The removal from the register, referred to in paragraphs 3 and 4, shall be made ex officio.

Article 494. § 1. As of the day of merger, the bidding company or the newly formed company shall take over all rights and duties of the target company or partnership or the companies or partnerships merging by formation of a new company.

§ 2. As of the day of merger, the bidding company or the newly formed company shall take over, in particular, any permits, concessions and reliefs granted to the target company or partnership or any of the companies or partnerships merging by formation of a new company unless otherwise provided in this Act or the decision on granting the permit, consent or relief.

§ 3. The disclosure, in land and mortgage registers or other registers, of the transfer onto the bidding company or the newly formed company of the rights disclosed in such registers shall be effected upon an application of this company.

§ 4. As of the day of merger, the shareholders or partners of the target company or partnership or the companies or partnerships merging by formation of a new company shall become shareholders of the bidding or newly formed company.

§ 5. The provision of paragraph 2 shall not apply to permits and concessions granted to a company which is a financial institution if the authority that granted such permit or concession lodged an objection within a month from being notified of draft terms of the merger.

Article 495. § 1. The assets of each of the merged companies or partnerships shall be managed by the bidding company or the newly formed company separately until the day of satisfying or securing the creditors whose receivable debts arose before the day of merger and who claimed the payment in writing before the elapse of six months from the day of announcement of the merger.

§ 2. The members of bodies of the bidding company or newly formed company shall be liable jointly and severally for the separate management thereof.

Article 496. § 1. In the period of the separate management of company or partnership assets, the creditors of each company or partnership shall have priority of satisfaction from the assets of their original debtor before the creditors of all other merging companies or partnerships.

§ 2. Creditors of a merging company or partnership, who made their claims within six months from the day of announcement of merger and showed with a reasonable degree of probability the threat to the satisfaction of their claims by merger, may seek that their claims be secured.

Article 497. § 1. The provisions on the coming into existence of a bidding company or a company newly formed as a result of merger shall apply accordingly to mergers of companies or partnerships, except for the provisions on non-cash contributions, unless the provisions of this Section provide otherwise.

§ 2. Due to the defects referred to in Article 21, a merger may not be set aside in the case where six months have elapsed from the day of merger.

Chapter 2. Mergers of Companies

Article 498. A plan of the merger of companies shall require a written accord between the merging companies.

Article 499. § 1. Draft terms of a merger shall contain at least:

1) type, business name and seat of each of the merging companies, the method of merger, and in the case of merger by formation of a new company, also the type, business name and seat of such company;

2) the ratio of exchange of shares of the target company or the companies merging by formation of a new company for shares of the bidding company or the newly formed company and, if applicable, the amount of additional payments;

3) rules for allotting shares in the bidding company or the newly formed company;

4) the day from which the shares referred to in subparagraph 3 shall give the right to participation in the profits of the bidding company or the newly formed company;

5) rights awarded by the bidding company or the newly formed company to the shareholders and persons having particular rights in the target company or in the companies merging by formation of a new company;

6) particular benefits for members of bodies of the merging companies and other persons participating in the merger, where such benefits were awarded.

§ 2. The following shall be attached to draft terms of the merger:

1) a draft of the resolutions on merger of the companies;

2) a draft of amendments to the deed or articles of the bidding company or a draft of the deed or articles of the newly formed company;

3) a determination of the value of assets of the target company or companies merging by formation of a new company, as at a specified day in the month preceding the submission of the application to announce draft terms of the merger;

4) a declaration containing the information on the condition of the company as shown in accounts, drawn up for the purpose of merger as at the day referred to in subparagraph 3, using the same methods and following the same layout as the last annual balance sheet.

§ 3. In the information referred to in paragraph 2, subparagraph 4:

1) it shall not be necessary to present a new inventory;

2) the values shown in the last balance sheet shall be changed only if this is necessary to reflect the changes in accounting entries; in such case it shall take into account temporary depreciation write-offs and stock and significant changes in the current value not shown in the books.

Article 500. § 1. Draft terms of a merger shall be submitted to the registration court of the merging companies together with the application referred to in Article 502, paragraph 2.

§ 2. Draft terms of the merger shall be announced no later than one month before the date of the meeting of shareholders or of the general meeting at which the resolution on the merger is to be adopted.

§ 3. If companies participating in the merger jointly submit an application to announce the draft terms of the merger, the announcement shall be made no later than one month before the date of the meeting of shareholders or of the general meeting at which the first resolution on the merger is to be adopted.

Article 501. The management board of each of the merging companies shall draw up a written report justifying the merger, its legal grounds and economic justification, and in particular the ratio of exchange of the shares, as referred to in Article 499, paragraph 1, subparagraph 2. Where the valuation of shares of the merging companies poses particular difficulties, said report must indicate such difficulties.

Article 502. § 1. Draft terms of a merger shall be examined by an expert as to its correctness and reliability.

§ 2. The registration court competent for the seat of the bidding company or the company to be formed instead of the merging companies shall appoint an expert upon a joint request of the companies subject to merger. In justified cases the court may appoint more than one expert.

§ 3. A registration court shall determine the remuneration for the work of an expert and approve the invoices for his expenses. If the merging companies do not settle these dues voluntarily within two weeks, the registration court shall collect them in the period set forth for execution of court fees.

Article 503. § 1. The expert, within the period specified by the court, however not longer than two months from his appointment, shall draw up a detailed written opinion and submit it together with draft terms of the merger to the registration court and the management boards of the merging companies. Said opinion shall contain at least:

1) statement whether the ratio of exchange of shares, referred to in Article 499, paragraph 1, subparagraph 2, was determined appropriately;

2) indication of the method or methods used for determining the ratio of exchange of shares proposed in the plan together with an evaluation of the grounds for their application;

3) indication of particular difficulties connected with valuation of shares of the merging companies.

§ 2. Upon a written request from the expert, the management boards of the merging companies shall provide him with additional explanations or documents.

Article 503[1]. The examination of the draft terms of the merger by an expert and his/her opinion shall not be required if all shareholders of each of the merging companies consented thereto, subject to Article 516, paragraph 7.

Article 504. § 1. Management boards of the merging companies shall inform the shareholders twice, in the manner envisaged for convening shareholders' meetings or general meetings, of the intention to merge with another company. The first notice shall be made no later than one month before the planned day of adopting the resolution on the merger, and the second at an interval not shorter than two weeks from the date of the first notice.

§ 2. The notification referred to in paragraph 1 shall contain at least:

1) the issue of *Monitor Sądowy i Gospodarczy* in which the announcement, referred to in Article 500, paragraph 2, was made unless such notification is the object of the announcement;

2) the place and period in which the shareholders may familiarize themselves with the documents specified in Article 505, paragraph 1; said period may not be shorter than one month before the planned day of adopting the resolution on the merger.

Article 505. § 1. Shareholders of the merging companies shall have the right to inspect the following documents:

1) draft terms of the merger;

2) financial statements and reports of management boards about the activity of the merging companies for the last three financial years together with an opinion and report of an expert auditor if such opinion or report were drawn up;

3) documents referred to in Article 499, paragraph 2;

4) reports of management boards of merging companies drawn up for the purposes of merger, as referred to in Article 501;

5) opinion of an expert, as referred to in Article 503, paragraph 1.

§ 2. If a merging company conducted activity for a period shorter than three years, the statements and reports referred to in paragraph 1, subparagraph 2 shall cover the whole period of company activity.

§ 3. Shareholders may demand that they be provided with gratuitous copies of the documents referred to in paragraph 1 on the premises of the company.

§ 4. Immediately before adopting the resolution on merger of companies, the shareholders must be given a verbal presentation of important contents of draft terms of the merger, management board report and expert opinion.

Article 506. § 1. A merger of companies shall require a resolution of a shareholders' meeting or general meeting of each of the merging companies, adopted by a three-fourths majority of votes representing at least one half of the initial capital, unless more stringent terms are provided by the company deed or articles.

2 § 2. A resolution of the general meeting of a public company on a merger with another company shall require a majority of two-thirds of the votes, unless company articles stipulate more stringent conditions.

§ 3. Where different kinds of shares exist in a merging joint-stock company , the resolution shall be adopted by voting in separate groups.

§ 4. The resolutions referred to in paragraphs1 to 3 shall contain agreement to draft terms of the merger and to the proposed amendments of the deed or articles of the bidding company or to the contents of the deed or articles of the new company.

§ 5. The resolution referred to in paragraphs 1 to 3 shall be included in the minutes taken by a notary.

Article 507. § 1. The management board of each of the merging companies shall report to the registration court the resolution on the company merger so that an annotation on such resolution can be registered with an indication whether the merging company is the bidding or target company.

§ 2. Where the seats of competent registration courts are located in different towns, the registration court competent for the seat of the bidding company or the newly formed company shall immediately notify ex officio the registration court competent for the seat of the target company or companies merging by formation of a new company about its decision referred to in Article 493, paragraph 2.

§ 3. In the case referred to in paragraph 2, the registration court competent for the seat of the target company or each of the companies merging by formation of a new company shall transfer ex officio the documents of the company removed from the register to be kept in custody by the registration court competent for the seat of the bidding company or the newly formed company.

Article 508. The announcement on the merger of companies shall be made upon application of the bidding company or the newly formed company.

Article 509. § 1. After the day of merger of companies, a suit for setting aside or for declaration of invalidity of the resolution referred to in Article 506 may be brought only against the bidding company or the newly formed company.

§ 2. The suit referred to in paragraph 1 may be brought not later than within a month from the day of adoption of the resolution. The provisions of Articles 249, 250, Article 252, paragraphs 1 and 2, Articles 253, 254 or Articles 422, 423, Article 425, paragraphs 1 and 5, Articles 426 and 427 shall apply accordingly.

§ 3. The resolution shall not be subject to appeal for objections regarding only the ratio of exchange of shares, referred to in Article 499, paragraph 1, subparagraph 2. This shall not limit the right to seek redress according to general rules.

§ 4. After the judgment setting aside or invalidating the resolution referred to in Article 506 becomes final, the court shall notify ex officio the competent registration courts.

Article 510. § 1. If the resolution referred to in Article 506 is set aside or declared invalid, the registration court shall remove, ex officio, from the register the entries made in connection with the merger.

§ 2. The removal from the register, referred to in paragraph 1, shall not affect the validity of acts in law performed by the bidding company or the newly formed company in the period from the day of merger to the day of announcement on the removal. The merging companies shall be liable, jointly and severally, for the obligations resulting from such acts.

Article 511. § 1. Persons with particular rights in the target company or in the companies merging by formation of a new company, as referred to in Article 174, paragraph 2, Article 304, paragraph 2, subparagraph 1, Articles 351 to 355, Article 361 and in Article 474, paragraph 3 shall enjoy rights at least equivalent to the rights they have enjoyed previously.

§ 2. Holders of securities other than shares, issued by the target company or companies merging by formation of a new company, shall enjoy the rights in the bidding company or the newly formed company at least equivalent to the rights they have enjoyed previously.

§ 3. The rights referred to in paragraphs 1 and 2 may be changed or abolished by an agreement between the rightholder and the bidding company or the newly formed company.

Article 512. § 1. Members of the management board, supervisory board or audit commission and liquidators of the merging companies shall be liable jointly and severally to the shareholders of such companies for damage resulting from acts or omissions contrary to the law or the provisions of company deed or articles unless they are not at fault.

§ 2. Claims for redressing damage shall be barred by limitation after the elapse of three years from the day of announcement of merger. The provisions of Article 293, paragraph 2, Article 295, paragraphs 2 to 4, Articles 296, 298, 300 or Article 483, paragraph 2, Article 484, Article 486, paragraphs 2 to 4, Articles 498 and 490 shall apply accordingly.

Article 513. § 1. An expert shall be liable towards the merging companies and their shareholders for damage inflicted by his fault. If there are several experts, their shall bear joint and several liability.

§ 2. The provision of Article 512, paragraph 2 shall apply accordingly to the liability referred to in paragraph 1.

Article 514. § 1. The bidding company may not take up its own shares in exchange for the shares it has in the target company and for target company's own shares.

§ 2. The prohibition referred to in paragraph 1 shall also apply to taking up one's own shares by persons acting in their own name but on the account of the bidding or target company.

Article 515. § 1. A merger can be effected without increasing the initial capital if the bidding company has shares in the target company or shares acquired or taken up in accordance with the provisions of Article 200 or Article 362 and in the cases referred to in Article 366.

§ 2. In order for the shareholders of the target company to be able to take up shares, the bidding company may acquire its own shares whose total nominal value may not exceed 10 per cent of the initial capital.

Article 516. § 1. In relation to the bidding company, the merger may be effected without adopting the resolution referred to in Article 506, if such company has shares whose total nominal value is not lower than 90 per cent of the initial capital of the target company, but not covering all its capital. This shall not apply to a case where the bidding company is a public company.

§ 2. A shareholder of the bidding company, representing at least one-twentieth of the initial capital, may demand that an extraordinary shareholder's meeting or extraordinary general meeting be convened to adopt the resolution referred to in paragraph 1.

§ 3. A shareholder of the target company may demand that his shares be repurchased by the bidding company according to the rules specified in Article 417.

§ 4. The rights referred to in paragraphs 2 and 3 may be exercised within one month from the day of announcement of draft terms of the merger.

§ 5. The provisions of Articles 501 to 503, Article 505, paragraph 1, subparagraphs 4 to 5, Articles 512 and 513 shall not apply to mergers by takeover, referred to in paragraph 1.

§ 6. The provisions of paragraphs 1, 2, 4 and 5 shall apply accordingly in the case of the bidding company taking over a sole-shareholder company of its own. In that case also the provisions of Article 494, paragraph 4 and Article 499, paragraph 1, subparagraphs 2 to 4 shall not apply.

§ 7. The provisions of Article 500, paragraph 2 and Articles 502 to 504 shall not apply to mergers of limited liability companies whose shareholders are only natural persons and their number in all merging companies does not exceed ten unless at least one shareholder files an objection with the company not later than within one month from the day when the registration court was notified of draft terms of the merger.

Chapter 2^1. Cross-border mergers of companies and limited joint-stock partnerships

Division 1. Cross-border mergers of companies

Article 516^1. Cross-border mergers of companies shall be governed by the provisions of Chapter 2, unless the provisions of this Chapter provide otherwise.

Article 516^2. The following cannot participate in cross-border mergers:

1) a foreign cooperative, even if it meets the criteria of a foreign company referred to in Article 491, paragraph 1^1;

2) a company whose objective is the collective investment of capital earned from public issue and which operates on the principle of risk-spreading and the participation units of which are, at the holders' request, repurchased or redeemed, directly or indirectly, out of the assets of that company.

Article 516^3. Draft terms of cross-border mergers shall include at least:

1) the type, business name and seat of merging companies as specified in their articles, the designation of the register and the number of the entry into the register of each of the merging companies, the manner of merger, and in the case of merger by formation of a new company – also the type, business name and seat proposed for such company, the seat being specified in the articles;

2) the ratio of the exchange of shares of the target company or companies merging by formation of a new company for the shares of the bidding company or the newly-formed company and the amount of cash payments, if any;

3) the ratio of the exchange of other securities of the target company or companies merging by formation of a new company to the securities of the bidding company or the newly-formed company and the amount of cash payments, if any;

4) other rights granted by the bidding company or the newly-formed company to shareholders or beneficial holders of other securities in a target company or in companies merging by the formation of a new company;

5) other conditions concerning the allotment of shares or other securities in the bidding company or in the newly-formed company;

6) the day from which the shares entitle participation in profits of the bidding company or the newly-formed company, and also other terms regarding the acquisition or the exercise of such right, if such other terms have been determined;

7) the day from which other securities entitle participation in profits of the bidding company or the newly-formed company, and also other terms regarding the acquisition or the exercise of such right, if such other terms have been determined;

8) special advantages granted to the experts who examine the draft terms of the merger or to members of bodies of the merging companies, if applicable provisions permit the granting of such special advantages;

9) the terms on which the minority creditors and shareholders of each of the merging companies may exercise their rights and the address at which the information on such terms may be obtained free of charge;

10) the procedures to govern the specification of the principles of employees' partaking in the determination of their participation rights in the bodies of the bidding company or the newly-formed company, according to separate provisions;

11) the probable impact of the merger on the employment rate in the bidding company or in the newly-formed company;

12) the day from which the acts performed by merging companies shall be considered, for accounting purposes, the acts performed on the account of the bidding company or the newly-formed company, subject to the provisions of the Act of 29 September 1994 on Accounting;

13) information on the valuation of assets and liabilities transferred to the bidding company or to the newly-formed company as at a certain day of the month preceding the submission of an application to announce the draft terms of the merger;

14) the date of closing the account books of the companies participating in the merger used for determining the merger conditions, subject to the provisions of the Act of 29 September 1994 on Accounting;

15) a draft deed or articles of the bidding company or a newly-formed company.

Article 516[4]. § 1. The company shall announce the draft terms of the cross-border merger no later than one month before the date of the meeting of shareholders or of the general meeting of the company at which the resolution on the merger is to be adopted.

§ 2. If more than one domestic company participates in a cross-border merger, the provision of Article 500, paragraph 3 shall apply.

Article 516[5]. § 1. The management board of a company shall prepare a written report substantiating the merger.

§ 2. The report shall specify at least:

1) the legal grounds and economic substantiation of the merger;

2) the effects of merger for the shareholders, creditors and employees;

3) the ratio of the exchange of shares or other securities referred to in the draft terms of the merger;

4) special difficulties connected with the valuation of shares of the merging companies.

§ 3. The management board shall append to the report an opinion from the representatives of employees, if it receives it in due time.

Article 516[6]. § 1. The registration court competent for the seat of the company shall appoint, at its application, an expert to examine the draft terms of the merger.

§ 2. The merging companies may submit a joint application to the registration court competent for the domestic company or to the authority competent for the foreign company for appointing a single expert or experts to examine the draft terms of the merger.

§ 3. The provision of Article 503^1 shall apply.

Article 516[7]. § 1. The shareholders of the merging companies and representatives of employees, as well as employees – in the case of a lack of such representatives – shall have the right to inspect the following documents:

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1) the draft terms of the merger;

2) financial statements and reports of management boards on the activities of the merging companies for the last three financial years with an opinion and report of an expert accountant, if such opinion or report were prepared;

3) the report substantiating the merger;

4) the expert's opinion based on the examination of the draft terms of the merger.

§ 2. The shareholders and representatives of employees, as well as employees – in the case of a lack of such representatives – may demand that the copies of documents referred to in paragraph 1 be made available to them free of charge at the premises of the company.

Article 516[8]. The resolution on merger may make the effectiveness of the merger contingent on the approval by the meeting of shareholders or by the general meeting of the conditions of the participation of the representatives of employees.

Article 516[9]. The rules for the participation of the representatives of employees in the bodies of the company formed as a result of the cross-border merger shall be set out in separate provisions.

Article 516[10]. § 1. If a bidding company or a newly-formed company is a foreign company, the provisions of Articles 495 and 496 shall not apply.

§ 2. A creditor of the domestic company may, within one month from the date of announcement of the draft terms of the merger, demand that his claims be secured, if he makes it plausible that their satisfaction is threatened by the merger.

§ 3. In the case of a dispute, the court competent for the seat of the company shall adjudicate on providing a security on the application of the creditor filed within two months after the day of announcement of the draft terms of merger.

§ 4. The application of a creditor shall not withhold the issue by the registration court of the certificate of compliance of the cross-border merger with Polish law.

Article 516[11]. § 1. If a bidding company or a newly-formed company is a foreign company, the shareholder of the domestic company who voted against the resolution on the merger and demanded that his objection be put on record may demand the repurchase of his shares.

§ 2. Shareholders shall submit to the company a written demand for repurchase within ten days from the day of adopting the resolution on the merger.

§ 3. The demand of repurchase shall be appended with the share title deed.

§ 4. Shareholders of a public company holding paperless shares shall append to the demand for repurchase a registered depository certificate issued by the entity operating a securities account according to the provisions on trading in financial instruments. The term of validity of the certificate cannot expire before the repurchase date.

§ 5. The company shall repurchase the shares either on its own account or on the account of shareholders remaining in the company.

§ 6. The company may acquire, on its own account, the shares whose aggregate nominal value, including shares heretofore acquired by the company, by companies or co-operatives subsidiary thereto or by persons acting on its account, does not exceed 25 per cent of initial capital.

§ 7. The repurchase price cannot be lower than the value fixed for the purposes of the merger.

Article 516[12]. § 1. The management board of the company shall submit an application to the registration court for the issue of a certificate of compliance of the cross-border merger with Polish law with respect to the procedure governed by Polish law. The provision of Article 507, paragraph 1 shall not apply.

§ 2. The following shall be appended to the application:

1) the draft terms of the merger;

2) the management board report substantiating the merger;

3) the opinion from representatives of employees, if the management board received it in due time;

4) the expert's opinion or a copy of the consent of all shareholders of the merging companies to a departure from the requirement of examination of the draft terms of the merger by an expert and of the preparation of the expert's opinion;

5) the proof of appointing a single expert, if he/she has been appointed;

6) the proof of notifying the shareholders of the intention to merge;

7) a copy of the resolution on the merger;

8) the declaration signed by all management board members to the effect that the resolution on the merger was not appealed against within the prescribed time limit or that the suit for appealing against the resolution was validly dismissed or rejected or that the time limit for lodging a means of appeal has expired, unless it is the case referred to in subparagraph 9;

9) a copy of the declaration of waiver in writing of the right to appeal against the resolution on the merger by all those entitled thereto or a copy of the court ruling referred to in Article 516[18];

10) the declaration signed by all management board members regarding the manner of exercising the entitlements of creditors and shareholders resulting from the provisions of law and from the resolution on the merger.

§ 3. The registration court shall immediately issue to the company a certificate of compliance of the cross-border merger with Polish law with respect to the procedure governed by Polish law and enter an annotation on the merger in the register.

§ 4. The provisions on registration proceedings shall respectively apply to the application for the issue of a certificate of compliance of the cross-border merger with Polish law.

Article 516[13]. § 1. The management board of the bidding company or management boards or the administrative bodies of companies merging by formation of a new company shall notify the registration court competent for the seat of the bidding company or the newly-formed company of the cross-border merger for the purposes of making an entry in the register.

§ 2. The following shall be appended to the notification:

1) certificates from the authorities competent for the merging companies of compliance of the cross-border merger with the law applicable to each of the merging companies with respect to the procedure governed by such law, issued no earlier than within six months before the date of notification;

2) the draft terms of the merger;

3) copies of resolutions on the merger;

4) an arrangement specifying the conditions of employee participation, if required.

§ 3. The registration court shall, in particular, examine whether the merging companies approved the draft terms of the merger on the same conditions and, if required by separate provisions, whether the conditions of employee participation were determined.

§ 4. The registration court shall immediately notify the registration authority competent for the target company or each of the companies merging by formation of a new company of the entry of the merger into the register.

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Article 516[14]. Shares in the target company shall not be exchanged for the shares in the bidding company, if they are held by:

1) the bidding company or a person acting in his or her own name but on account of such company,

2) the target company or a person acting in his or her own name but on account of such company.

Article 516[15]. § 1. If the bidding company holds all the shares of the target company, the provisions of Article 516[3], subparagraphs 2 and 4 to 6 in the part governing the shares and Article 516[6] shall not apply. The management board shall prepare the report referred to in Article 516[5].

§ 2. The target company shall not be governed by the provisions of Article 506.

Article 516[16]. In the case of a cross-border merger, the simplified merging procedure referred to in Article 516, paragraph 7 shall not apply.

Article 516[17]. § 1. After the date of carrying out the merger it shall be inadmissible to repeal the resolution on the merger or declare it null and void. The provisions of Article 21, Article 497, paragraph 2, Article 509, paragraph 1 and Article 510 shall not apply.

§ 2. After the date of carrying out the merger, the proceedings in the matter of appealing against the resolution on the merger shall be discontinued.

§ 3. The company shall be liable to the appellant for any loss caused by the resolution on the merger which is against statutory law, company deed or articles or good practice.

Article 516[18]. § 1. The company may file an application for the issue of a ruling permitting to register the merger with the court with which the complaint for repealing the resolution or declaring it null and void was filed.

§ 2. The court shall issue the ruling, if:

1) the suit is inadmissible; or

2) the suit is obviously groundless; or

3) it finds, after having examined the application during a hearing, that the company's interest justifies the carrying out of the merger without undue delay.

§ 3. The court shall issue a ruling immediately but no later than within two weeks after the day of receipt of the application, and if the court decides to examine the application during a hearing - within one month.

§ 4. The ruling may be appealed against and the appeal shall be examined within two weeks.

Division 2. Cross-border mergers of limited joint-stock partnerships

Article 516[19]. Cross-border mergers of limited joint-stock partnerships shall be respectively governed by the provisions of Division 1 and Articles 522, 525 and 526.

Chapter 3. Mergers with the Participation of Partnerships

Article 517. § 1. Draft terms of the merger of companies or partnerships shall require a written accord between the merging companies or partnerships.

§ 2. It shall not be obligatory to prepare a plan of merger of partnerships by formation of a new company, having regard to Article 520.

Article 518. § 1. Draft terms of a merger shall include at least the following:

1) the type, business name and seat of each of the merging companies or partnerships, the method of merger, and in the case of merger by formation of a new company, also the type, business name and seat of such company;

2) the number and value of shares of the bidding company or the newly formed company allotted to the partners of the merging partnership and, if applicable, the amount of additional payments;

3) the day from which the shares allotted to the partners of the merging partnership shall give the right to participation in the profits of the bidding company or the newly formed company;

4) particular benefits for partners of the merging partnership and other persons participating in the merger, where such benefits were awarded.

§ 2. The provision of Article 499, paragraphs 2 and 3 shall apply accordingly.

Article 519. Draft terms of a merger shall be submitted to the registration court competent for the merging companies or partnerships together with the application referred to in Article 520, paragraph 2.

Article 520. § 1. Where the bidding company or the newly formed company is a joint-stock company or where one of the merging companies is a limited joint-stock company, draft terms of the merger shall be examined by an expert as to its correctness and reliability.

§ 2. In cases other than the one specified in paragraph 1, draft terms of the merger shall be examined by an expert if at least one of the shareholders or partners of the merging companies or partnerships so demands by submitting a written application in this matter to the company or partnership of which he is a shareholder or partner, not later than seven days from the day when the company or partnership notified him of the intention to merge.

§ 3. The provisions of Article 501, Article 502, paragraphs 2 and 3 and Article 503 shall apply accordingly.

Article 521. § 1. A merging company or partnership shall notify the shareholders or partners that do not conduct affairs of the company or partnership twice at an interval not shorter than two weeks, in the manner envisaged for notifying shareholders or partners, of the intention to merge with another company or partnership, not later than six weeks before the planned day of adopting the resolution on the merger. If the application referred to in Article 520, paragraph 2 is submitted, an additional notification shall be required specifying a new date for the planned adoption of the resolution.

§ 2. Such notification shall determine at least the place and period in which the shareholders or partners may familiarize themselves with the merger documents. The said period may not be shorter than one month before the planned day of adopting the resolution on the merger.

§ 3. The provision of Article 505 shall apply accordingly.

Article 522. § 1. Mergers of companies or partnerships shall require a resolution of the shareholders' meeting or the general meeting of a merging company and a resolution of all shareholders of a merging partnership.

§ 2. A resolution of the shareholders' meeting or general meeting of a merging company shall require a three-fourths majority of votes representing at least half of the initial capital unless the company deed or articles set forth more stringent conditions.

§ 3. A merger of a limited partnership or limited joint-stock partnership shall require unanimity of the general partners and a resolution of the limited partners or shareholders, which shall be supported by persons representing at least three-fourths of the commandite sum or initial capital unless the deed or articles of partnership provide for more stringent conditions.

§ 4. Where different kinds of shares exist in the merging joint-stock company or limited joint-stock company, the resolution on the merger shall be adopted by voting in separate groups.

§ 5. The resolutions referred to in paragraphs 1 to 3 shall contain agreement to draft terms of the merger and to the proposed amendments of the deed or articles of the bidding company or to the contents of the deed or articles of the new company.

§ 6. The resolutions referred to in paragraphs 1 to 3 shall be included in the minutes taken by a notary.

Article 523. § 1. The management board of a merging company and the partners conducting the affairs of a merging partnership shall report the merger to the registration court for the purpose of entering it into the register.

§ 2. The target partnership may not be removed from the register earlier than on the day of registration of increased initial capital of the bidding company or registration of the new company.

§ 3. The provisions of Article 507, paragraphs 2 and 3 shall apply accordingly.

Article 524. The announcement on the merger of companies or partnerships shall be made upon application of the bidding company or the newly formed company.

Article 525. § 1. Partners of a merging partnership shall bear upon the existing rules a subsidiary liability towards the partnership's creditors, jointly and severally with the bidding company or the newly formed company, for the obligations of the partnership that arose before the day of merger for a period of three years counting from that day.

§ 2. The provision of Article 31 shall apply accordingly.

Article 526. § 1. Members of the management board, supervisory board or audit commission and the liquidators of the merging company shall be liable towards the shareholders of such company jointly and severally for damage inflicted by acts or omissions contrary to the law or the provisions of company deed or articles unless they are not at fault.

§ 2. The partners conducting the affairs of a merging partnership shall be liable towards the partners of such partnership according to the rules determined in paragraph 1.

§ 3. Claims for redressing the damage shall be barred by limitation after the elapse of three years from the day when the merger was announced. The provisions of Article 293, paragraph 2, Article 295, paragraphs 2 to 4, Articles 296, 298, 300 or Article 483, paragraph 2, Article 484, Article 486, paragraphs 2 to 4, Articles 489 and 490 shall apply accordingly.

Article 527. An expert shall be liable according to the rules specified in the provisions of Article 513.

SECTION II. DIVISIONS OF COMPANIES

Article 528. § 1. A company may be divided into two or more companies. A division of a joint-stock company shall not be admissible unless the initial capital was fully paid up.

§ 2. Partnerships shall not be divided.

§ 3. Neither a company in liquidation which has started a division of assets nor a company in bankruptcy may be divided.

Article 529. § 1. A division may be effected through:

1) transfer of all assets of the company under division to other companies in exchange for shares of the bidding company, which are taken up by the shareholders of the company under division (division by takeover);

2) formation of new companies to which all the assets of the company under division are transferred in exchange for shares of the new companies (division by formation of new companies);

3) transfer of all assets of the company under division to an existing company and a newly formed company or companies (division by takeover and formation of a new company);

4) transfer of a part of assets of the company under division to an existing company or a newly formed company (division by separation).

§ 2. The provisions on division of companies relating to the bidding company or the newly formed company accordingly shall apply to division by separation.

§ 3. Shareholders of the company under division may receive, apart from shares of the bidding companies or newly formed companies, additional cash payments not exceeding in total 10 per cent of the balance-sheet value of the allotted shares of the bidding company proper, determined in accordance with the declaration referred to in Article 534, paragraph 2, subparagraph 4, or 10 per cent of the nominal value of the allotted shares of the newly formed company proper. Additional payments of the bidding company shall be made from this company's profits or supplementary capital.

§ 4. Each of the bidding companies or newly formed companies may make the release of its shares to shareholders of the company under division conditional upon making additional cash payments not exceeding the value referred to in paragraph 3.

Article 530. § 1. The company under division shall be dissolved, without conducting liquidation proceedings, as of the day when it is removed from the register (day of division).

§ 2. The provision of paragraph 1 shall not apply to division by separation. The new company shall be deemed separated on the day of its registration. In the case of transfer of part of assets of the company under division to an existing company, the separation shall take effect on the day when the increase in initial capital of the bidding company is registered (day of separation).

Article 531. § 1. On the day of division or separation, bidding companies or newly formed companies which came into existence as a result of division shall take over the rights and duties of the company under division specified in the division plan.

§ 2. On the day of division or separation, the bidding company or the newly formed company which came into existence as a result of division shall, in particular, take over any permits, concessions and reliefs which relate to the component assets of the company under division that were allotted to such company in the division plan and which were granted to the company under division unless otherwise provided in this Act or the decision on granting the permit, concession or relief.

§ 3. The provisions on co-ownership in fractional shares shall apply accordingly to the component assets of the company under division not allotted in the division plan to a specific bidding company or newly formed company. The share of the bidding company or the newly formed company in the co-ownership shall be proportional to the value of assets falling to each of these companies in the division plan. If the company under division has obligations which were not allotted in the division plan to any bidding companies or newly formed companies, these companies shall bear joint and several liability therefor.

§ 4. The disclosure, in land and mortgage registers or other registers, of the transfer onto bidding companies or newly formed companies of the rights disclosed in such registers shall be effected upon an application of such companies.

§ 5. As of the day of division or separation, the shareholders of the company under division shall become shareholders of the bidding company indicated in the division plan.

§ 6. The provision of paragraph 2 shall not apply to permits and concessions granted to a company being a financial institution if the authority that granted such permit or concession lodged an objection within a month from being notified of the division plan.

Article 532. § 1. Unless otherwise provided in this Section, a company division shall be accordingly governed by the provisions relating to the coming into existence of the appropriate type of a bidding or a newly formed company, save for the provisions on non-cash contributions.

§ 2. The following provisions shall not apply to division by separation, achieved through the reduction of initial capital: Article 264, paragraph 1 and Article 265, paragraph 2, subparagraphs 2 and 3, in the case of division of a limited liability company, or Article 456 and Article 458, paragraph 2, subparagraphs 3 and 4, in the case of division of a joint-stock company.

§ 3. The division may not be set aside due to the defects referred to in Article 21, if six months have elapsed from the day of division or separation.

Article 533. § 1. A company division plan shall require a written accord between the company under division and the bidding company.

§ 2. In the case of division by formation of a new company, the division plan shall be drawn up in writing by the company under division.

§ 3. The company under division, the bidding company and the newly formed company referred to in paragraphs 1 and 2 shall be the companies participating in the division.

Article 534. § 1. A division plan shall contain at least:

1) the type, business name and seat of each of the companies participating in the division;

2) the ratio of exchange of shares of the company under division for shares of the bidding companies or the newly formed companies and, if applicable, the amount of additional payments;

3) the rules for allotting shares in the bidding companies or the newly formed companies;

4) the day from which the shares referred to in subparagraph 3 shall give the right to participation in the profits of the individual bidding companies or newly formed companies;

5) the rights granted by the bidding companies or the newly formed companies to the shareholders or persons having particular rights in the company under division;

6) the specific benefits for members of bodies of companies and other persons participating in the division, where such benefits were awarded;

7) a detailed description and division of the component assets (assets and liabilities), and permits, concessions or reliefs falling to the bidding companies or the newly formed companies;

8) division, among the shareholders of the company under division, of shares of the bidding companies or the newly formed companies and the rules of such division.

§ 2. The following shall be attached to the division plan:

1) a draft of the resolutions on the division;

2) a draft of amendments to the deed or articles of the bidding company or draft of the deed or articles of the newly formed company;

3) a determination of the value of assets of the company under division as of a specified day in the month preceding the submission of the application to announce the division plan;

4) a declaration containing the information on the condition as shown in accounts of the company drawn up for the purpose of division as at the day referred to in subparagraph 3, using the same methods and following the same layout as the last annual balance sheet.

§ 3. In the information referred to in paragraph 2, subparagraph 4:

1) it shall not be necessary to present a new inventory;

2) the values shown in the last balance sheet shall be changed only if this is necessary to reflect the changes in accounting entries; in such case it shall take into account temporary depreciation write-offs and stock and significant changes in the current value not shown in the books.

Article 535. § 1. A division plan shall be submitted to the registration court competent for the company under division or the bidding company together with the application referred to in Article 537, paragraph 2.

§ 2. In the case of division by formation of a new company, the division plan together with the application referred to in Article 537, paragraph 2 shall be submitted to the registration court of the company under division.

§ 3. Draft terms of a merger shall be announced not later than six weeks prior to the day of adoption of the first resolution concerning the division, as referred to in Article 541.

Article 536. § 1. The management boards of the company under division and each of the bidding companies shall draw up a written report justifying the company division, its legal and economic grounds, and in particular the ratio of exchange of the shares, as referred to in Article 534, paragraph 1, subparagraph 2, and the criteria of their division. Where the valuation of shares of the company under division poses particular difficulties, said report shall indicate such difficulties.

§ 2. The management board of the company under division shall perform, in relation to the newly formed company, the acts of management boards of the companies participating in division envisaged in the provisions of paragraphs 1 and 3 and in Articles 537 to 539.

§ 3. Where the bidding company or the newly formed company is a joint-stock company, the provisions of Articles 311 to 312[1]. shall apply accordingly to component assets falling to that company in the division plan. The report referred to in paragraph 1 shall be accompanied by information on the drawing up, according to the procedure under Article 312, of expert auditors' opinion. The registration court in which such opinion was filed shall also be indicated.

§ 4. The management board of the company under division shall inform the shareholders' meeting or the general meeting of the company and the management boards of all bidding companies or the newly formed companies in organization on any important changes relating to the component assets (assets and liabilities) that occurred between the day of drawing up the division plan and adopting the resolution on the division.

Article 537. § 1. A division plan shall be examined by an expert as to its correctness and reliability.

2

§ 2. The registration court competent for the seat of the company under division shall appoint an expert upon a joint request of the companies participating in the division. In justified cases the court may appoint more than one expert.

§ 3. A registration court shall determine the remuneration for the work of an expert and approve the invoices for his expenses. If the companies participating in the division do not settle these dues voluntarily within two weeks, the registration court shall collect them under the procedure set forth for execution of court fees.

Article 538. § 1. Within the period specified by the court, however not longer than two months from his appointment, the expert shall draw up a detailed written opinion and submit it together with the division plan to the registration court and the management boards of the companies participating in the division. Said opinion shall contain at least:

1) a statement whether the ratio of exchange of shares, referred to in Article 534, paragraph 1, subparagraph 2, was determined appropriately;

2) an indication of the method or methods used for determining the ratio of exchange of shares proposed in the division plan together with an evaluation of the grounds for their application;

3) an indication of particular difficulties connected with valuation of shares of the company under division.

§ 2. Upon a written request from the expert, the management boards of the companies participating in the division shall provide him with additional explanations or documents.

Article 538^1. The preparation of the declaration referred to in Article 534, paragraph 2, subparagraph 4, as well as examination of the draft division terms by an expert and his opinion shall not be required if all shareholders of each of the companies participating in the division consented thereto.

Article 539. § 1. Management boards of the companies participating in the division shall inform the shareholders twice, at an interval not shorter than two weeks, in the manner envisaged for convening shareholders' meetings or general meetings, of the intention to effect the division of the company under division and to transfer its assets to bidding companies or newly formed companies, not later than six weeks before the planned day of adopting the resolution on the division.

§ 2. The notification referred to in paragraph 1 shall contain at least:

1) the issue of *Monitor Sądowy i Gospodarczy* in which the announcement referred to in Article 535, paragraph 3 was made unless such notification is the object of the announcement;

2) the place and period in which the shareholders may familiarize themselves with the documents specified in Article 540, paragraph 1; said period may not be shorter than one month before the planned day of adopting the resolution on the division.

Article 540. § 1. Shareholders of the company under division and the bidding companies shall have the right to inspect the following documents:

1) the division plan;

2) financial statements and reports of management boards about the activity of the company under division and the bidding companies for the last three financial years together with an opinion and report of an expert auditor if such opinion or report were drawn up;

3) the documents referred to in Article 534, paragraph 2;

4) the reports of management boards of the companies participating in the division drawn up for the purposes of division, as referred to in Article 536;

5) the opinion of an expert, as referred to in Article 538, paragraph 1.

§ 2. If the company under division or the bidding company has conducted its activity for a period shorter than three years, the statements and reports referred to in paragraph 1, subparagraph 2 shall cover the whole period of company activity.

§ 3. Shareholders may demand a free access to the documents referred to in paragraph 1 on the premises of company's management board.

§ 4. Immediately before adopting the resolution on division of the company, the shareholders must be given a verbal presentation of important contents of the division plan, management board report and expert's opinion.

Article 541. § 1. A division of a company shall require a resolution of shareholders' meeting or general meeting of the company under division and each of the bidding companies, taken by a three-fourths majority of votes representing at least half of the initial capital unless the company deed or articles provide for more stringent conditions.

§ 2. Division of a company by formation of a new company shall require a resolution of the shareholders' meeting or general meeting of the company under division and a resolution of the shareholders' meeting of each of the newly formed companies adopted in the manner referred to in paragraph 1.

§ 3. Division of a public company shall require a resolution of the general meeting, taken by a two-thirds majority of votes unless the company articles provide for more stringent conditions.

§ 4. Where different kinds of shares exist in a company participating in the division, the resolution shall be adopted by voting in separate groups.

§ 5. If the division plan envisages that the shareholders of the company under division will take up shares in the bidding company or the newly formed company on less favourable conditions than in the company under division, said shareholders may make objections to the division plan within two weeks from the day of its announcement and demand that the bidding company or the newly formed company repurchase their shares within three months from the day of division. In such case, after the division, the bidding company or the newly formed company may acquire its own shares whose total value shall not exceed 10 per cent of the initial capital, according to the rules laid down in Article 417.

§ 6. The resolutions referred to in paragraphs 1 to 3 shall contain agreement of the bidding company or the newly formed company to the division plan and to the proposed amendments of the deed or articles of the bidding company.

§ 7. The resolution referred to in paragraphs 1 to 3 shall be included in minutes taken by a notary.

Article 542. § 1. The management board of each of the companies participating in the division shall report to the registration court a resolution on the company division, so that an annotation of such resolution can be registered, with an indication whether the company participating in the division is the company under division, the bidding company or the newly formed company.

§ 2. The company under division shall be removed from the register ex officio, immediately after the increase in initial capital of bidding companies has been registered or after new companies participating in the division have been registered.

§ 3. A new company shall be registered on the grounds of company organization deeds, a resolution of the shareholders of this company and a resolution of shareholders' meeting or general meeting of the company under division.

§ 4. A company division by separation shall be registered immediately after the reduction of initial capital of the company under division has been registered unless the separation is made from company's own capital other than the initial capital.

§ 5. Where the seats of competent registration courts are located in different towns, the registration court competent for the seat of the bidding company or the newly formed company shall immediately notify ex officio the registration court competent for the seat of the company under division of the entries referred to in paragraphs 2 to 4.

§ 6. In the case referred to in paragraph 5, the registration court competent for the seat of the company under division shall, after said company has been removed from the register, transfer ex officio the documents of the company under division for keeping in custody to the registration courts competent for the seats of the remaining companies participating in the division.

Article 543. The announcement on the company division shall be made upon application of the bidding company or the newly formed company.

Article 544. § 1. After the day of division or separation of a company, a suit for setting aside or for declaration of invalidity of the resolution referred to in Article 541 may be brought only against the bidding company or the newly formed company.

§ 2. The suit referred to in paragraph 1 may be brought not later than within a month from the day of adoption of the resolution. The provisions of Articles 249, 250, Article 252, paragraphs 1 and 2, Articles 253, 254 or Articles 422, 423, Article 425, paragraphs 1 and 5, Articles 426 and 427 shall apply accordingly.

§ 3. The resolution shall not be subject to appeal for objections regarding only the ratio of exchange of shares, referred to in Article 534, paragraph 1, subparagraph 2. This shall not limit the right to seek redress according to general rules.

§ 4. After the judgment setting aside or declaring invalid the resolution referred to in Article 541 becomes final, the court shall notify ex officio the competent registration courts.

Article 545. § 1. If the resolution referred to in Article 541 is set aside or declared invalid, the registration court shall, ex officio, remove from the register the entries made in connection with the division.

§ 2. The removal from the register, referred to in paragraph 1, shall not affect the validity of acts in law of the performed by the bidding company or the newly formed company in the period from the day of division to the day of announcement on the removal. The companies participating in the division shall be liable, jointly and severally, for the obligations resulting from such acts.

Article 546. § 1. For three years from the day of announcement on the division, the remaining companies to which the assets of the company under division were transferred shall be liable, jointly and severally, for the obligations allocated in the division plan to the bidding company or the newly formed company. Said liability shall be limited to the net value of assets allocated to each company in the division plan.

§ 2. Creditors of the company under division or the bidding company who filed their claims in the period between the day of announcement of the division plan and the day of announcement of the division and showed with a reasonable degree of probability the threat to the satisfaction of their claims by division may demand that their claims be secured.

Article 547. § 1. Persons with particular rights in the company under division, as referred to in Article 174, paragraph 2, Article 304, paragraph 2, subparagraph 1, Articles 351 to 355, Article 361 and in Article 474, paragraph 3, shall enjoy rights at least equivalent to the rights they have enjoyed previously.

§ 2. Holders of securities other than shares, issued by the company under division, shall enjoy, in the bidding company or the newly formed company, at least equivalent rights to the rights they have enjoyed previously.

§ 3. The rights referred to in paragraphs 1 and 2 may be changed or abolished by an agreement between the rightholder and the bidding company or the newly formed company.

Article 548. § 1. Members of the management board, supervisory board or audit commission and liquidators of the companies participating in the division shall be liable jointly and severally to the shareholders of such companies for damage resulting from acts or omissions contrary to the law or the provisions of company deed or articles unless they are not at fault.

§ 2. Claims for redressing the damage shall be barred by limitation after the elapse of three years from the day of announcement of division. The provisions of Article 293, paragraph 2, Article 295, paragraphs 2 to 4, Articles 296, 298, 300 or Article 483, paragraph 2, Article 484, Article 486, paragraphs 2 to 4, Articles 498 and 490 shall apply accordingly.

Article 549. § 1. An expert shall be liable towards the shareholders of the companies participating in the division for damage inflicted by his own fault. If there are several experts, they shall bear joint and several liability.

§ 2. The provision of Article 548, paragraph 2 shall apply accordingly to the liability referred to in paragraph 1.

Article 550. § 1. The bidding company may not take up its own shares in exchange for the shares it has in the company under division and for the company under division's own shares.

§ 2. The prohibition referred to in paragraph 1 shall also apply to taking up one's own shares by persons acting in their own name but on the account of the bidding company or the company under division.

SECTION III. TRANSFORMATIONS OF COMPANIES AND PARTNERSHIPS

Chapter 1. General Provisions

Article 551. § 1. A registered partnership, professional partnership, limited partnership, limited joint-stock partnership, limited liability company, joint-stock company (company or partnership under transformation) may be transformed into another type of commercial company or partnership (transformed company or partnership).

§ 2. A civil partnership may be transformed into a commercial company or partnership other than a registered partnership. This provision shall not prejudice the provisions of Article 26, paragraphs 4 to 6.

§ 3. The provisions relating to transformation of a registered partnership into another type of commercial company or partnership shall apply accordingly to the transformation referred to in paragraph 2, first sentence, however, Article 26, paragraph 5 shall apply to the effects of transformation.

§ 4. A company or partnership in liquidation, in the process of division of assets or in bankruptcy may not undergo transformation.

Article 552. The company or partnership under transformation shall become the transformed company or partnership upon the entry of the transformed company or

partnership into the register (transformation day). At the same time, the registration court shall, ex officio, remove the company or partnership under transformation.

Article 553. § 1. The transformed company or partnership shall enjoy all the rights and have all the duties of the company or partnership under transformation.

§ 2. The transformed company or partnership shall, in particular, remain the subject of permits, concessions and reliefs that were granted to the company or partnership before transformation unless otherwise provided in this Act or in the decision on granting the permit, concession or relief.

§ 3. Shareholders or partners of the company or partnership under transformation, who participate in the transformation, shall become shareholders or partners of the transformed company or partnership as of the day of transformation.

Article 554. Where the change of business name, made in connection with the transformation, involves more than a change in the additional designation indicating the character of the company or partnership, the transformed company or partnership shall be obliged to provide the old business name in parentheses beside the new business name, accompanied by the word "dawniej" [formerly] for a period of at least one year from the day of transformation.

Article 555. Unless otherwise provided in this Section, the provisions on the coming into existence of the transformed company or partnership shall apply accordingly to the transformation of a company or partnership.

Article 556. The following shall be required for the transformation of a company or partnership:

1) the drafting of a company or partnership transformation plan, together with the attachments and an opinion of expert auditor;

2) adopting a resolution on company or partnership transformation;

3) appointing members of bodies of the transformed company or partnership or determining the partners or shareholders conducting affairs of such partnership or company and representing it;

4) performing the deed or signing the articles of the transformed company or partnership;

5) registering the transformed company or partnership and removing the company or partnership under transformation from the register.

Article 557. § 1. The transformation plan shall be prepared by the management board of the company or partnership under transformation or by all partners or shareholders conducting the affairs of the transformed partnership.

§ 2. The transformation plan shall be made in writing under pain of nullity.

§ 3. In a sole-shareholder company the transformation plan shall be drawn up in the form of a notarial deed.

Article 558. § 1. The transformation plan shall contain at least the following:

1) determination of the balance sheet value of the assets of the company or partnership under transformation for a specified day in the month preceding the submission of the transformation plan to shareholders or partners;

2) specification of the value of shareholders' shares in accordance with the financial statement referred to in paragraph 2, subparagraph 4 below.

§ 2. The following shall be attached to the transformation plan:

1) a draft resolution on company or partnership transformation;

2) a draft deed or articles of the transformed company or partnership;

3) a valuation of component assets (assets and liabilities) of the company or partnership under transformation;

4) a financial statement drawn up for the purposes of transformation as of the day referred to in paragraph 1, subparagraph 1 above, using the same methods and the same order as in the last annual financial statement.

Article 559. § 1. A transformation plan shall be examined by an expert auditor as to its correctness and reliability.

§ 2. The registration court competent for the seat of the company or partnership under transformation shall appoint an expert auditor upon a request of such company or partnership. In justified cases, the court may appoint more than one expert auditor.

§ 3. Upon a written request from the expert auditor, the management board of the company or partners conducting the affairs of the partnership shall provide him with additional explanations or documents.

§ 4. Within the period specified by the court, however, not longer than two months from the day of his appointment, the expert auditor shall draw up a detailed written opinion and submit it together with the transformation plan to the registration court and the company or partnership under transformation.

§ 5. The registration court shall determine the remuneration for the work of the expert auditor and approve the invoices for his expenses. If the company or partnership under transformation does not settle these dues voluntarily within two weeks, the registration court shall collect them according to the procedure set forth for execution of court fees.

Article 560. § 1. A company or partnership shall inform the shareholders or partners of the intention to adopt a resolution on the transformation twice, at an interval not shorter than two weeks, and not later than one month prior to the planned day of adopting said resolution, doing so in the manner envisaged for notifying shareholders or partners of the company or partnership under transformation.

§ 2. The notification referred to in paragraph 1 shall contain important elements of the transformation plan and of the opinion of an expert auditor, and specify the place and period in which the shareholders or partners of the company or partnership under transformation may familiarize themselves with the full contents of the plan and attachments thereto, and the opinion of an expert auditor; the said period may not be shorter than two weeks before the planned day of adopting the resolution on transformation.

§ 3. A draft of the resolution on transformation and a draft of the deed or articles of the company or partnership transformed shall be enclosed with the notification referred to in paragraph 1; this shall not apply to cases where the notification is announced.

Article 561. § 1. Shareholders or partners shall have the right to inspect the documents referred to in Article 558 and Article 559, paragraph 4 on the premises of the company or partnership, and to demand that they be provided with gratuitous copies of such documents.

§ 2. Immediately before adopting the resolution on transformation of the company or partnership, the shareholders or partners must be given a verbal presentation of important elements of the transformation plan and the opinion of an expert auditor.

Article 562. § 1. The transformation of a company or partnership shall require a resolution adopted by partners, in the case of a partnership, or by the shareholders' meeting or the general meeting in the case of a company, in the manner specified accordingly in the provisions of Article 571, Article 575, Article 577, subparagraph 1 and in Article 581.

2

§ 2. The resolution referred to in paragraph 1 shall be included in the minutes taken by a notary.

Article 563. A resolution on the transformation of a company or partnership shall include at least:

1) the type of company or partnership into which the company or partnership is being transformed;

2) the amount of initial capital, in the case of transformation into a limited liability or joint-stock company, or the amount of commandite sum, in the case of transformation into a limited partnership, or the nominal value of shares, in the case of transformation into a limited joint-stock partnership;

3) the amount allocated for payments for shareholders or partners not participating in the transformed company or partnership, such amount not exceeding 10 per cent of the balance-sheet value of company or partnership assets;

4) the scope of rights granted personally to shareholders or partners participating in the transformed company or partnership, where the granting of such rights is envisaged;

5) the surnames and forenames of members of the management board of the transformed company, in the case of transformation into a company, or surnames and forenames of the partners conducting affairs of the partnership, in the case of transformation into a partnership;

6) consent to the wording of deed or articles of the transformed company or partnership.

Article 564. § 1. A company or partnership shall summon the shareholders or partners, in the manner envisaged for notifying them, to submit declarations on their participation in the transformed company or partnership, within one month from the day of adopting the resolution on transformation of the company or partnership. This shall not apply to the shareholders or partners who submitted such declarations on the day when the resolution was adopted.

§ 2. The declaration referred to in paragraph 1 shall be made in writing under pain of nullity.

Article 565. § 1. A partner or a shareholder who did not submit his declaration on participation in the transformed company or partnership shall be entitled to claim the payment of an amount corresponding to the value of his shares in the company or partnership under transformation, in accordance with the financial statement drawn up for the purposes of transformation. This claim shall be barred by limitation after the elapse of two years, counted from the day of transformation.

§ 2. The company or partnership shall make the payment referred to in paragraph 1 not later than within six months from the day of transformation. If the claim has been made after the day of transformation, this period shall run from the day when the claim was submitted.

§ 3. The provisions of paragraphs 1 and 2 shall apply accordingly to returning the object of a non-cash contribution.

Article 566. § 1. Where a partner or a shareholder has objections as to the reliability of valuation of the value of shares, adopted in the transformation plan, he may submit a request for revaluation of the balance sheet value of his shares, on the day of adopting the resolution on transformation at the latest.

§ 2. If the company or partnership does not grant the request referred to in paragraph 1 within two months from the day when it was submitted, the shareholder or partner shall have the right to bring a suit for determining the value of his shares. Said suit shall not prevent the registration of the transformation.

Article 567. § 1. The provisions of Articles 422 to 427 shall apply accordingly to setting aside the resolution on the transformation of a partnership or a company and to declaring such resolution invalid.

§ 2. A resolution may not be appealed against solely on the grounds referred to in Article 566, paragraph 1.

§ 3. The suit for setting aside or declaring the invalidity of a resolution shall be brought within one month from the day of receiving the information on the resolution, however, not later than within three months from the adoption of the resolution.

Article 568. § 1. Persons acting in the name of the company or partnership under transformation shall bear joint and several liability towards the company or partnership, partners, shareholders, and third parties for damage resulting from acts and omissions, contrary to the provisions of law or the deed or articles of the company or partnership, unless they are not at fault.

§ 2. An expert auditor shall be liable towards the company or partnership under transformation and its shareholders or partners for damage inflicted by his own fault. If there are several experts, they shall bear joint and several liability.

§ 3. Claims referred to in paragraphs 1 and 2 shall be barred by limitation after the elapse of three years from the day of transformation.

Article 569. The application for registration of transformation shall be lodged by all members of the management board or partners having the right of representation of the transformed company or partnership.

Article 570. The announcement on transformation of the company or partnership shall be made upon request of the management board of the transformed company or partnership or upon request of all partners conducting affairs of the transformed partnership.

Chapter 2. Transformation of a Partnership into a Company

Article 571. A partnership shall be transformed into a company if, apart from the requirements referred to in Chapter 1, all partners have supported the transformation of the partnership into a company, but in the case of a limited partnership or a limited joint-stock partnership it shall suffice if, apart from all general partners, limited partners or shareholders representing at least two-thirds of the commandite sum or initial capital have supported the transformation, unless the deed or articles provide for more stringent conditions.

Article 572. In the case of transformation of a registered partnership in which all partners conducted affairs of the partnership, provisions of Articles 557 to 561 shall not apply. This shall not apply to the duty to prepare the documents referred to in Article 558, paragraph 2 and to have the valuation of a partnership's assets and liabilities examined of an expert auditor.

Article 573. § 1. In the case of transformation of a limited joint-stock partnership into a joint-stock company, the provisions of Articles 328 to 330 shall apply accordingly.

§ 2. Share title deeds of the transformed limited joint-stock partnership shall be annulled as of the day of transformation.

Article 574. Partners of a partnership under transformation shall bear liability, according to the hitherto existing rules, jointly and severally with the transformed company for the obligations of the partnership which arose prior to the day of transformation for a period of three years, counted from that day.

Chapter 3. Transformation of a Company into a Partnership

Article 575. A company shall be transformed into a partnership if, apart from the requirements referred to in Chapter 1, shareholders representing at least two-thirds of the initial capital have supported the transformation, unless the deed or articles provide for more stringent conditions.

Article 576. § 1. A resolution on the transformation of a company into a limited partnership or limited joint-stock partnership shall require, apart from obtaining the requisite majority, consent of the persons who are to be general partners in the transferred company expressed in writing under pain of nullity. The remaining shareholders of the company under transformation shall become limited partners or shareholders of the transformed partnership.

§ 2. In the case of transformation of a joint-stock company into a limited joint-stock partnership, the provision of Article 573 shall apply accordingly.

Chapter 4. Transformation of a Company into a Different Type of Company

Article 577. § 1. A company shall be transformed into a different type of company if, apart from the requirements referred to in Chapter 1:

1) shareholders representing at least half of the initial capital have supported the transformation by a three-fourths majority of votes, unless the deed or articles provide for more stringent conditions;

2) the company under transformation has financial statements approved at least for the last two financial years;

3) the initial capital of the joint-stock company under transformation is fully paid up;

4) the initial capital of the transformed company will not be lower than the initial capital of the company under transformation.

§ 2. If the company under transformation conducted activity for a period shorter than two years, the financial statement referred to in paragraph 1, subparagraph 2 shall cover the whole period of company activity, not covered by the annual financial statement.

Article 578. Share title deeds of a joint-stock company under transformation shall be annulled as of the day of transformation.

Article 579. § 1. Rights and duties of a shareholder of the company under transformation, which are not in conformity with the provisions of this Act on the transformed company, shall expire by operation of law as of the day of transformation.

§ 2. The shareholder whose rights expire pursuant to paragraph 1 shall have a claim against the transformed company for payment of appropriate remuneration. Such remuneration shall be paid not later than within one year from the day of transformation unless the right holder and the company decide otherwise.

§ 3. A shareholder who was obliged to make repeated performances in kind to the company under transformation may release himself from this duty towards the transformed company against payment of appropriate remuneration.

§ 4. The provision of Article 415, paragraph 3 shall not apply.

Article 580. Holders of convertible bonds, bonds with the priority warrant or other bonds giving the right to performances in kind in a joint-stock company under transformation shall have, in a limited liability company, at least equal rights to the rights they hitherto enjoyed. This shall not preclude a change or expiration of such rights under an agreement between the right holder and the transformed company.

Chapter 5. Transformation of a Partnership into a Different Type of Partnership

Article 581. A partnership shall be transformed into a different type of partnership if, apart from the requirements referred to in Chapter 1, all partners have supported the transformation.

Article 582. In the case of transformation of a registered partnership or a professional partnership in which all the partners conducted affairs of the partnership, the provisions of Articles 557 to 561 shall not apply. This shall not apply to the duty to prepare the documents referred to in Article 558, paragraph 2, subparagraphs 1 and 2.

Article 583. § 1. In the case of the death of a partner in a registered partnership, his heir may demand that the partnership be transformed into a limited partnership and that he be granted the status of limited partner. The partnership shall grant the request of the deceased partner's heir unless the remaining partners adopt a resolution on dissolution of the partnership.

§ 2. The request of the deceased partner's heir shall also be regarded as granted if the remaining partners adopt a resolution on the transformation of the registered partnership into a limited joint-stock partnership, granting to the said heir the status of a shareholder in this partnership.

§ 3. When granting a request of the deceased partner's heir, the partnership shall fulfil the duties referred to in Articles 557 to 561.

§ 4. The heir may submit his request within six months counted from the day of confirmation of the acquisition of an estate.

§ 5. If, within the period referred to in paragraph 4, the heir obtains the status of a limited partner or shareholder of a limited joint-stock partnership or if the partnership is dissolved in this period, he shall be liable for obligations of the partnership arisen hitherto only pursuant to the provision of inheritance law.

Article 584. Partners of a partnership under transformation shall be liable for the obligations of the partnership arisen before the day of transformation according to the hitherto applicable rules for a period of three years, counted from that day.

TITLE V. PENAL PROVISIONS

Article 585. § 1. Whoever, participating in the creation of a commercial company or partnership or being a member of the management board, supervisory board or audit commission, or a liquidator thereof, acts to its detriment
– shall be liable to penalty of a deprivation of liberty of up to five years and a fine.

§ 2. Whoever incites the person referred to in paragraph 1 to acting to the detriment of the company or partnership or assists such person in committing the offence shall be liable to the same penalty.

Article 586. Whoever, being a member of the management board of a company or partnership or its liquidator, does not submit an application for the declaration of bankruptcy of a commercial company or partnership in spite of the existence of conditions being, pursuant to the provisions, grounds for bankruptcy of the company or partnership
– shall be liable to a fine, a penalty of restriction of liberty or deprivation of liberty of up to one year.

Article 587. § 1. Whoever, when performing the duties specified in Titles III and IV, announces untrue information, or presents such information to bodies of the company or partnership, State authorities or a person appointed to conduct an audit
– shall be liable to a fine, a penalty of restriction of liberty or deprivation of liberty of up to 2 years.

§ 2. Where the perpetrator acts unintentionally
– he shall be liable to a fine, a penalty of restriction of liberty or deprivation of liberty of up to one year.

Article 588. Whoever, being a member of the management board or liquidator of a commercial company or partnership, allows the company or partnership to acquire its own shares or to create a pledge on them
– shall be liable to a fine, a penalty of restriction of liberty or deprivation of liberty of up to six months.

Article 589. Whoever, being a member of the management board or liquidator of a limited liability company, allows the company to issue registered documents, bearer documents or documents to order in respect of shares or rights to profits in the company
– shall be liable to a fine, a penalty of restriction of liberty or deprivation of liberty of up to six months.

Article 590. Whoever, in order to enable unlawful voting at the general meeting or unlawful exercise of minority rights:
1) issues a false certificate on submission of a title deed of a share giving the right to vote;
2) lends to another person for use a title deed of a share not giving its holder the right to vote;
3) [*this subparagraph comes into force on 3 August 2009*] issues a false attestation on the right to participate in the general meeting of a public company;
4) [*this subparagraph comes into force on 3 August 2009*] provides or makes available a false list of shareholders entitled to participate in the general meeting of a public company
– shall be liable to a fine, a penalty of restriction of liberty or deprivation of liberty of up to one year.

Article 591. Whoever, when voting at the general meeting or exercising minority rights, uses:
1) a false certificate stating submission of a title deed of a share giving the right to vote;
2) another person's share title deed, without the consent of the owner;
3) another person's share title deed, which does not give the owner the right to vote;
4) [*this subparagraph comes into force on 3 August 2009*] a false attestation on the right to participate in the general meeting of a public company;
5) [*this subparagraph comes into force on 3 August 2009*] false instructions for voting at the general meeting of a public company
– shall be liable to a fine, a penalty of restriction of liberty or deprivation of liberty of up to one year.

Article 592. A member of the management board who allows the release of share title deeds:
1) which have not been paid up sufficiently;
2) before registration of the company or partnership;
3) in the case of increase of the initial capital – before the registration of such increase
– shall be liable to a fine, a penalty of restriction of liberty or deprivation of liberty of up to one year.

Article 593. Cases regarding the offences mentioned in Articles 585 to 592 shall belong to the competence of district courts.

Article 594. § 1. Whoever, being a member of the management board of a commercial company or partnership, against his duty, allows the management board:
1) not to submit the list of partners or shareholders to the court of registration;
2) not to keep a register of shares pursuant to the provisions of Article 188, paragraph 1 or Article 341, paragraph 1;

3) not to convene a shareholders' meeting or a general meeting;

4) to refuse to provide the person appointed for audit with explanations or prevent such person from discharging his duties;

5) not to present the registration court with an application for appointment of expert auditors;

6) not to announce the submission of an opinion of an expert auditor in the registration court pursuant to the provision of Article 312, paragraph 7

– shall be liable to a fine of up to 20,000 zloties.

§ 2. Whoever, being a member of the management board, allows the company or partnership to remain without the supervisory board of an appropriate composition, against the law or the deed, for a period longer than three months

– shall be liable to a fine in the same amount.

§ 3. The provisions of paragraphs 1 and 2 shall apply accordingly to the liquidators.

§ 4. The fine shall be imposed by the registration court.

Article 595. § 1. Whoever, being a member of the management board of a company, allows that the letters and commercial orders, as well as the information referred to in Article 206, paragraph 1, and Article 374, paragraph 1, fail to contain the particulars specified in these provisions, or, being a general partner in a limited joint-stock partnership entitled to represent the partnership allows that the letters and commercial orders, as well as the information referred to in Article 127, paragraph 5, fail to contain the particulars specified in this provision

– shall be liable to a fine of up to 5,000 zloties.

§ 2. The provisions of Article 594, paragraphs 3 and 4 shall apply accordingly.

TITLE VI. AMENDMENTS TO PROVISIONS IN FORCE, TRANSITIONAL AND FINAL PROVISIONS

SECTION I. AMENDMENTS TO PROVISIONS IN FORCE

Articles 596 to 609. Omitted. [*The omitted Articles contain amendments to the following: Regulation of the President of the Republic of Poland of 24 October 1934 – Bankruptcy Law; Act of 17 November 1964 – Code of Administrative Procedure; Act of 26 May 1982 – Law on Advocates' Activity; Act of 6 July 1982 on Legal Counsellors; Act of 14 February 1991 – Law on Notaries' Activity; Act of 29 September 1994 on Accounting; Act of 13 October on Expert Auditors and their Self-government; Act of 29 June 1995 on Bonds; Act of 5 July 1996 on the Professions of the Nurse and the Midwife; Act of 5 July 1996 on Tax Consulting; Act of 5 December 1996 on the Profession of the Physician; Act of 21 August 1997 – Law on Public Trading in Securities; Act of 29 August 1997 – Tax Ordinance; Act of 29 August 1997 – Banking Law.*]

SECTION II. TRANSITIONAL PROVISIONS

Article 610. As of the day of entry into force of this Act, the provisions concerning the matters regulated therein shall lose their binding force, unless otherwise stipulated in the following provisions.

Article 611. The following special provisions shall remain in force:
1) on national investment funds;
2) on companies conducting banking activity;
3) on companies running stock exchanges or over-the-counter markets;
4) on companies running brokerage houses;
5) on the National Deposit of Securities, Joint-stock Company;
6) on companies conducting insurance activity;
7) on investment fund corporations;
8) on retirement pension societies;
9) on companies of public radio and television;
10) on companies that came into existence as a result of the commercialization and privatization of State enterprises;
11) on other commercial companies or partnerships regulated in separate acts.

Article 612. Unless otherwise stipulated in the following provisions, the provisions of this Act shall apply to the provisions of law in the field of commercial companies or partnerships existing on the day of its entry into force.

Article 613. § 1. Rights of the partners and shareholders of commercial companies or partnerships, acquired before the day of entry into force of this Act, shall remain in force.

§ 2. The content of the rights referred to in paragraph 1 shall be governed by the provisions hitherto in force.

§ 3. The provisions of this Act shall apply to changes of the content and dispositions of rights of partners and shareholders made after the entry into force of this Act.

Article 614. § 1. The provisions of Article 613 shall apply accordingly to promoters' certificates and utility shares.

§ 2. Promoters' certificates shall expire upon the elapse of ten years from the entry of this Act into force at the latest.

Article 615. § 1. As of the day of entry into force of this Act, its provisions shall apply to the duties of members of the bodies of companies.

§ 2. The expiration date of a term of office of a member of a body of a company, which began prior to the entry into force of this Act, shall be determined pursuant to the provisions hitherto in force.

Article 616. Unless otherwise stipulated in the following provisions, the provisions hitherto in force shall apply to cases for entering into a register registered partnerships, limited partnerships, limited liability companies and joint-stock companies, initiated but not completed by the day of entry into force of this Act.

Article 617. The provisions hitherto in force shall apply to mergers and transformations of companies, where the appropriate resolution was adopted by the shareholders' meeting (the general meeting) before the day of entry into force of this Act; however, the legal consequences of a merger or transformation registered after the entry into force of this Act shall be evaluated pursuant to the provisions thereof.

Article 618. The provisions of Article 494, paragraph 2 and Article 531, paragraph 2 shall apply to concessions, permits and reliefs granted after the day of entry into force of this Act unless the provisions hitherto in force envisaged the transfer of such rights to the bidding company or the newly formed company.

Article 619. The provisions hitherto in force shall apply to resolutions of partners and resolutions of company bodies adopted before the day of entry into force of this Act.

Article 620. § 1. The provisions that were in force on the day when legal events occurred shall apply to the evaluation of consequences of such events.

§ 2. As of the day of entry into force of this Act, the consequences of:

1) the creation of a company in organization as a result of a company deed having been performed;

2) the events being the grounds for a decision of the registration court on the dissolution of a company, pursuant to Article 21

shall be assessed by applying the provisions of the Act.

Article 621. The provision of this Act relating to limitation shall apply to the claims arisen before the day of entry into force of this Act and, pursuant to the provisions of the Commercial Code, not barred by limitation on that day, subject to the following restrictions:

1) the beginning, suspension and interruption of the running of limitation period shall be assessed in accordance with the provisions of the Commercial Code, for the period prior to the day of entry into force of this Act;

2) if the limitation period under the provisions of this Act is shorter than under the provisions of the Commercial Code, the limitation period shall start running on the day of entry into force of this Act; however, if the limitation period that started prior to the day of entry into force of this Act finishes earlier, applying the limitation period specified in the Commercial Code, the limitation shall take effect upon the elapse of the shorter period.

Article 622. The provisions hitherto in force shall apply to cases in the field of commercial companies or partnerships initiated before common courts or conciliatory courts prior to the day of entry into force of this Act.

Article 623. § 1. Within three years from the day of entry into force of this Act, commercial companies or partnerships existing on the day of entry into force of this Act shall adjust the provisions of their deeds, founding acts or articles to the provisions thereof.

§ 2. The provision of paragraph 1 shall not apply to the provisions of company or partnership deeds and articles being the grounds for establishing the rights referred to in Article 613, paragraph 1.

§ 3. In the case of infringement of the provision of paragraph 1, the registration court may, ex officio or upon application of a person having legal interest, summon a company or partnership to remove the infringement within a period not longer than six months. If the company or partnership does not comply with the summons, the

court may also issue ex officio a decision on dissolution of the company or partnership.

Article 624. § 1. Within three years from the day of entry into force of this Act, limited liability companies, referred to in Article 612, shall increase their initial capital to at least 25,000 zloties and meet the requirements concerning the minimum share value specified in Article 154, paragraph 2. Within five years the day of entry into force of this Act, at the latest, such companies shall adjust the amount of their initial capital to the requirements specified in Article 154, paragraph 1.

§ 2. Within three years from the day of entry into force of this Act, joint-stock companies referred to in Article 612, shall increase their initial capital to at least 250,000 zloties. Within five years of the day of entry into force of this Act, at the latest, such companies shall adjust the amount of their initial capital to the requirements specified in Article 308, paragraph 1.

§ 3. The provisions on the minimum amount of initial capital and nominal value of a share, hitherto in force, shall apply to the companies in organization reported to the registration court prior to the day of promulgation of this Act. The provisions of paragraphs 1 and 2 shall apply to such companies.

§ 4. Where a company has not met the requirements envisaged in paragraph 1 or paragraph 2, the provisions of Article 623, paragraph 3 shall apply accordingly. Moreover, the shareholders of such a company may not collect dividends or other performances from the company until it meets the requirements specified in paragraphs 1 to 3. This shall not apply to participation in company assets in the case of dissolution or liquidation thereof.

Article 625. § 1. Until 31 December 2004, articles of companies formed after the day of entry into force of this Act, whose shareholder is the State Treasury, may envisage preferences for the State Treasury shares as regards the votes to a higher degree than specified in Article 352; however, the State Treasury may not be granted more than five votes per share.

§ 2. The provision of paragraph 1 shall lose its binding force on the day when the Republic of Poland accedes to the European Union. As of the day when the Republic of Poland accedes to the European Union, articles of the companies in which the State Treasury is a shareholder may permit preferential treatment for the shares of the State Treasury in the matters referred to in Articles 351 to 354.

§ 3. Article 613 shall apply to the rights of the State Treasury in joint-stock companies, acquired pursuant to paragraph 1.

Articles 626 to 627. Repealed.

Article 628. In the case of doubts over whether to apply the provisions hitherto in force or the provisions of this Act, the provisions of this Act shall apply.

Article 629. If provisions in force contain references to the provisions of the Regulation by the President of the Republic of Poland – the Commercial Code, or the Regulation by the President of the Republic of Poland – Provisions Introducing the Commercial Code, repealed by the provision of Article 631, or refer generally to the provisions of the Commercial Code on registered partnerships, limited partnerships,

limited liability companies or joint-stock companies, the appropriate provisions of this Act shall be applied in this regard.

Article 630. If provisions in force contain a reference to the provisions of the Regulation by the President of the Republic of Poland repealed by the provision of Article 631, subparagraph 1 on the commercial register, business name or procuration, or refer generally to the provisions on the commercial register, business name or procuration, the provision of Article 632 shall apply in this regard.

SECTION III. FINAL PROVISIONS

Article 631. Subject to the provision of Article 632, the following shall lose their binding force:

1) Regulation by the President of the Republic of Poland of 27 June 1934 – the Commercial Code (Dziennik Ustaw 1934, No. 57, item 502; 1946, No. 57, item 321; 1950, No. 34, item 312; 1964, No. 16, item 94; 1988, No. 41, item 326; 1990, No. 17, item 98, No. 51, item 298; 1991, No. 35, item 155, No. 94, item 418, No. 111, item 480; 1994, No. 121, item 591; 1995, No. 96, item 478; 1996, No. 6, item 43; 1997, No. 88, item 554);

2) Regulation by the President of the Republic of Poland of 27 June 1934 – Provisions Introducing the Commercial Code (Dziennik Ustaw 1934, No. 57, item 503; 1945, No. 40, item 224; 1946, No. 31, item 197, No. 60, item 329; 1947, No. 5, item 20; 1961, No. 58, item 319; 1964, No. 16, item 94).

Article 632. Repealed.

Article 633. This Act shall enter into force as of 1 January 2001.

Translated by *Anna Setkowicz-Ryszka*
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NOTE 1 [to the Act's Title]: Within the scope of its regulation, this Act transposes:
1) First Council Directive 68/151/EEC of 9 March 1968 on coordination of safeguards which, for the protection of the interests of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 58 of the Treaty, with a view to making such safeguards equivalent throughout the Community [OJ EC L 65, 14.03.1968, p. 8 as amended; *Dziennik Urzędowy UE Polskie wydanie specjalne, rozdz. 17, t. 1, str. 3, z późn. zm.* (Chapter 17, vol. 1, p. 3, as amended)];
2) Second Council Directive 77/91/EEC of 13 December 1976 on coordination of safeguards which, for the protection of the interests of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 58 of the Treaty, in respect of the formation of public limited liability companies and the maintenance and alteration of their capital, with a view to making such safeguards equivalent [OJ EC L 26, 31.01.1997, p. 1, as amended; *Dziennik Urzędowy UE Polskie wydanie specjalne, rozdz. 17, t. 1, str. 8, z późn. zm.* (Chapter 17, vol. 1, p. 8, as amended)];
3) Third Council Directive 78/855/EEC of 9 October 1978 based on Article 54 (3) (g) of the Treaty concerning mergers of public limited liability companies [OJ EC L 295, 20.10.1978, p. 36, as amended; *Dziennik Urzędowy UE Polskie wydanie specjalne, rozdz. 17, t. 1, str. 42, z późn. zm.* (Chapter 17, vol. 1, p. 42, as amended)];
4) Sixth Council Directive 82/891/EEC of 17 December 1982 based on Article 54 (3) (g) of the Treaty, concerning the division of public limited liability companies [OJ EC L 378, 31.12.1982, p. 47, as amended; *Dziennik Urzędowy UE Polskie wydanie specjalne, rozdz. 17, t. 1, str. 50, z późn. zm.* (Chapter 17, vol. 1, p. 50, as amended)];
5) Eleventh Council Directive 89/666/EEC of 21 December 1989 concerning disclosure requirements in respect of branches opened in a Member State by certain types of company governed by the law of another State [OJ EC L 395, 30.12.1989, p. 36, as amended; *Dziennik Urzędowy UE Polskie wydanie specjalne, rozdz. 17, t. 1, str. 100, z późn. zm.* (Chapter 17, vol. 1, p. 100, as amended)];
6) Twelfth Council Directive 89/667/EEC of 21 December 1989 on single-member private limited-liability companies [OJ EC L 395, 30.12.1989, p. 40, as amended; *Dziennik Urzędowy UE Polskie wydanie specjalne, rozdz. 17, t. 1, str. 104, z późn. zm.* (Chapter 17, vol. 1, p. 104, as amended)];
7) Directive 2001/17/EC of the European Parliament and of the Council of 19 March 2001 on the reorganisation and winding-up of insurance undertakings [OJ EC L 110, 20.04.2001, p. 28; *Dziennik Urzędowy UE Polskie wydanie specjalne, rozdz. 6, t. 4, str. 3* (Chapter 6, vol. 4, p. 3)];
8) Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions [OJ EC L 125, 05.05.2001, p. 15; *Dziennik Urzędowy UE Polskie wydanie specjalne, rozdz. 6, t. 4, str.15* (Chapter 6, vol. 4, p. 15)];