



ARTICLES OF ASSOCIATION OF ARCTIC PAPER S.A. (the "Company")

(consolidated text including the amendments resolved in the General Meeting of the Company on 21st December 2015, registered by the National Court Register)

CHAPTER I

GENERAL PROVISIONS

ARTICLE 1

- 1.1 The name of the Company is: "ARCTIC PAPER" Spółka Akcyjna (joint-stock company).
- 1.2 The Company may use the short name: "Arctic Paper" S.A.
- 1.3 The Company's registered office is in Poznań.

ARTICLE 2

- 2.1 The duration of the Company is unlimited.

ARTICLE 3

- 3.1 The Company operates in the territory of the Republic of Poland and abroad.
- 3.2 The Company performs its business in accordance with the provisions of the Commercial Companies Code (Kodeks spółek handlowych) and other valid legal regulations.

CHAPTER II

SCOPE OF THE COMPANY'S BUSINESS

ARTICLE 4

- 4.1 The Company's scope of activity comprises:
 - 1) Production of paper and cardboard (PKD 17.12.Z);
 - 2) Installation of industrial machines, equipment and accessories (PKD 33.20.Z);
 - 3) Production of electricity (PKD 35.11.Z);
 - 4) Transmission of electricity (PKD 35.12.Z);
 - 5) Distribution of electricity (PKD 35.13.Z);
 - 6) Production and supplies of steam, hot water and air for air-conditioning systems (PKD 35.30.Z);
 - 7) Water intake, treatment and supply (PKD 36.00.Z);
 - 8) Wholesale of other semi-products (PKD 46.76.Z);
 - 9) Unspecialized wholesale (PKD 46.90.Z);



- 10) Other transportation agencies activities (PKD 52.29.C);
- 11) Consultations related to Information Technology (PKD 62.02.Z);
- 12) Activities associated with computer equipment management (PKD 62.03.Z);
- 13) Activities of financial holdings (PKD 64.20.Z);
- 14) Lease and administration of owned and leased real estates (PKD 68.20.Z);
- 15) Activities of head offices and holdings, excluding financial holdings (PKD 70.10.Z);
- 16) Other business operations and management consulting (PKD 70.22.Z);
- 17) Engineering activities and related technical consulting (PKD 71.12.Z);
- 18) Rental and lease of other machines, equipment and tangible assets, not classified elsewhere (PKD 77.39.Z).

4.2 If a permission or concession is required to engage in particular business activities, the Company shall not undertake such activities until such permission or concession has been obtained.

CHAPTER III

SHARE CAPITAL OF THE COMPANY, FOUNDERS

ARTICLE 5

5.1 Share capital of the Company shall amount to PLN 69,287,783.00 (in words: sixty nine million two hundred eighty seven thousand seven hundred eighty three zloty) and shall be divided into:

- 1) 50,000 (fifty thousand) ordinary series A bearer's shares;
- 2) 44,253,500 (forty four million two hundred fifty three thousand five hundred) ordinary series B bearer's shares;
- 3) 8,100,000 (eight million one hundred thousand) ordinary series C bearer's shares;
- 4) 3,000,000 (three million) ordinary series E bearer's shares.
- 5) 13,884,283 (thirteen million eight hundred eighty four thousand two hundred eighty three) ordinary series F bearer's shares.

5.2 The nominal value of each share amounts to PLN 1.00 (one zloty).

5.3 Series A, B, C, E and F shares have been paid up in full with cash contributions.

5.4 Each share provides entitlement to one vote at the Shareholders Meeting.

5.5 The nominal value of the conditional increase of the Company's share capital amounts to no more than PLN 1,500,000 (one million five hundred thousand zloty) and shall be divided into 1,500,000 (one million five hundred thousand) ordinary series D bearer's shares with a nominal value of PLN 1.00 (one zloty) each share.

5.6 The purpose of the conditional increase of the Company's share capital is to grant the right to subscribe for series D shares to the holders of series A subscription warrants, issued by the Company



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pursuant to resolution no. 4 of the Extraordinary Shareholders Meeting of July 30, 2009 and the resolution of the Ordinary Shareholders Meeting of June 8, 2010, amended by way of resolution no. 30 of the Ordinary Shareholders Meeting of June 28, 2012.

5.7 The right to subscribe for series D shares can be effected until December 31, 2013.

5.8 Series D shares shall be delivered in return for cash contributions.

ARTICLE 6

The exclusive founder of the Company is Arctic Paper Kostrzyn S.A. joint stock company with its registered office in Kostrzyn nad Odra.

ARTICLE 7

7.1 The Company's share capital may be increased through issuance of new shares or an increase of the nominal value of existing shares.

7.2 An increase of the Company's share capital may be performed in exchange for cash consideration or consideration in kind.

7.3 The Company's share capital may be decreased subject to the terms and conditions imposed by virtue of a resolution adopted by the General Meeting.

7.4 The Company may issue new bearer shares or registered shares. The new shares may be paid for with cash or consideration in kind.

7.5 The registered shares may be converted into bearer shares. Conversion must be performed by the Management Board at a request from the shareholder.

7.6 Bearer shares may not be converted into registered shares.

7.7 Shares may be redeemed by way of purchase by the Company (voluntary redemption) on conditions specified in a resolution by the General Meeting, adopted by a majority of 2/3 1 (two thirds) of votes and with consent from the shareholder whose shares are to be redeemed. Shares are redeemed by way of decrease of the share capital.

CHAPTER IV

COMPANY'S BODIES

ARTICLE 8

The Company's corporate bodies are:

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

THE MANAGEMENT BOARD

ARTICLE 9

- 9.1 The Management Board consists of one to five members, including the President of the Management Board.
- 9.2 The Management Board is appointed and recalled by the Supervisory Board for a joint term of office.
- 9.3 The term of office for the Members of the Management Board is three years.
- 9.4 (*repealed*)

ARTICLE 10

- 10.1 The President of the Management Board shall summon the meetings of the Management Board and chair the meetings.
- 10.2 The Management Board adopts its resolutions by majority of votes cast. Resolutions are invalid unless at least a half of all members of the Management Board are present at the meeting. If the numbers of votes for and against are equal, the President of the Management Board has the decisive vote.
- 10.3 The detailed rules of operation of the Management Board are set out in the Management Board Bylaws adopted by the Supervisory Board.

ARTICLE 11

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

THE SUPERVISORY BOARD

ARTICLE 12

- 12.1 The Supervisory Board consists of five to seven members appointed by the General Meeting for a joint term of office.
- 12.2 The members of the Supervisory Board are elected to remain in office for three years. The members of the Supervisory Board may be appointed for successive terms.
- 12.3 A member of the Supervisory Board may be recalled at any time.
- 12.4 From the time when the General Meeting adopted the resolutions constituting the basis to conduct a first public issuance of shares and to introduce the Company's shares to trading on stock exchange, two members of the Supervisory Board should be independent. Independence of members of the Supervisory Board shall be judged based on the criteria set out in Enclosure II to the



Recommendation of the European Commission dated February 15, 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, wherein the independent member must not be an employee of the Company, or any of its subsidiaries or affiliates, or enter into any actual and significant relationships with any shareholder of the Company eligible to execute 5% or more of the total number of votes represented by all shares.

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

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

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

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

ARTICLE 13

13.1 Either the Chairman or, in his absence, the Vice Chairman of the Supervisory Board shall summon and chair the meetings of the Supervisory Board.

13.2 The Chairman of the Supervisory Board shall summon a meeting of the Supervisory Board at a written request of the Management Board or a member of the Supervisory Board.

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



ARTICLE 14

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

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

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

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

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

ARTICLE 15

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

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

- a) to evaluate the Company's financial statements;
- b) to evaluate the Management Board's statements of the Company's activities and the Management Board's requests regarding distribution of profits and coverage of losses;
- c) to submit to the General Meeting annual written statements of the results of the above assessments;
- d) to appoint and recall the Members of the Management Board, including its President, and to determine the remuneration of the Members of the Management Board;
- e) to appoint an auditor for the Company; and
- f) to give its consent for the Management Board to pre-payment against the dividend expected as at the end of the financial year.

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

THE GENERAL MEETING

ARTICLE 16

16.1 The General Meeting shall be held either in the Company's registered office or in Warsaw.

16.2 A General meeting may be ordinary or extraordinary.



16.3 An Ordinary General Meeting should be held no later than six months after the end of each financial year.

ARTICLE 17

17.1. The General Meeting will be opened by the Supervisory Board Chairman or the person appointed by the Chairman, and thereafter the Chairman of the General Meeting will be appointed.

17.2. Voting will be open unless any of the shareholders requests secret voting or such voting is required by the provisions of the Commercial Companies Code. If the Commercial Companies Code stipulates voting by name, the request for secret voting will be ineffective.

17.3. Unless the Commercial Companies Code or the articles of association of the Company stipulate otherwise, the resolutions of the General Meeting shall be adopted by an absolute majority of votes

17.4. Commencing on January 1, 2014, the shareholders can participate in the General Meeting with the use of means of electronic communication.

17.5. Prior to January 1, 2014, the Management Board may adopt a resolution on allowing the shareholders to participate in the General Meeting with the use of means of electronic communication.

17.6. The Management Board of the Company shall be authorized to specify the detailed rules for this manner of participation of the shareholders in the General Meeting, including the requirements and limitations necessary to identify the shareholders and ensure safety of electronic communication.

ARTICLE 18

18.1 The following matters fall within the exclusive competencies of the General Meeting:

- a) examination and approval of the Management Board's statement of the Company's activities and the Company's financial statement for the previous financial year;
- b) acknowledgment of performance of duties by the Management Board and Supervisory Board members duties;
- c) decisions regarding distribution of profit or coverage of losses;
- d) change of the scope of the Company's business activity;
- e) amendment of the Company's Articles of Association;
- f) increase or decrease of the Company's capital;
- g) merger of the Company with another company or companies, division of the Company or transformation of the Company;
- h) dissolution and liquidation of the Company;
- i) emission of convertible bonds or bonds with pre-emption rights and issuance of subscription warrants;
- j) purchase and sale of real estate;
- k) disposal and lease of an enterprise or any organized part thereof and establishment of a limited property right thereupon; and



- l) any and all other matters, for which the present Articles of Association or the Commercial Companies Code require a resolution of the General Meeting.

18.2 The detailed rules of operation of the General Meeting are set out as the By-laws of General Meeting, adopted by the General Meeting.

CHAPTER V

THE COMPANY'S OPERATIONS

ARTICLE 19

19.1 The Company's accounts and reporting shall be managed in accordance with Polish regulations.

19.2 The Company's financial year is the calendar year.

19.3 Regardless of the supplementary capital, which is increased by at least 8% of total profits for the specific financial year, until it reaches at least onethird of share capital, the Company may also create other capital to cover particular losses or expenses, including funds for payment of future dividends (reserve capital).

ARTICLE 20

(cancelled)

ARTICLE 21

21.1 If the Company has the status of a public company, the Ordinary General Meeting shall specify the date, as upon which the list of shareholders eligible for dividend for a given financial year is drawn up (the day of dividend) and the date of payment of such dividend.

21.2 The day of dividend may be set on the date of adopting a resolution or within three months from that day.

21.3 Subject to the legal regulations, the Company's Management Board is authorized to make prepayment against the dividend expected as at the end of the financial year, to the shareholders of the Company.

CHAPTER VI

FINAL PROVISIONS

ARTICLE 22

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

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

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



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

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

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