

**PROPOSED RESOLUTIONS OF THE ORDINARY GENERAL MEETING OF
SHAREHOLDERS OF SANOCKIE ZAKŁADY PRZEMYSŁU GUMOWEGO
„STOMIL SANOK” SPÓŁKA AKCYJNA**

summoned to be held on June 23, 2014.

Resolution no. 1

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok of June 23, 2014 with regard to electing the President of the Ordinary General Meeting of Shareholders

The Ordinary General Meeting of Shareholders hereby elects the President of the Ordinary General Meeting of Shareholders in the person of

Resolution no. 2

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok of June 23, 2014 with regard to electing the Returning Committee

The Ordinary General Meeting of Shareholders hereby elects the Returning Committee composed of:

Resolution no. 3

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok of June 23, 2014 with regard to the approval of the financial report of the Company for the year 2013 as well as to the Board report on the activities of the Company in the year 2013.

Based on the article 395 §2 point 1) of the Commercial Companies' Code and based on § 30 section 1 point 1) of the Statute of the Company, the following is hereby adopted:

§ 1

The General Meeting, after having examined the financial report Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna for the year 2013, submitted by the Board and verified by an expert accountant, including the financial situation report (balance-sheet), profit and loss statement, statement of comprehensive income, cash flow report, statement on changes in the share capital, additional information and explanations as well as report of the Board on the activities of the Company in 2013, and after having examined the report of the Supervisory Board on the results of verification of these documents, decides:

1. to approve the financial situation report (balance-sheet) made as of December 31, 2013 showing the sum of 450 938 664,18 zlotys on both the side of assets and liabilities,
2. to approve the profit and loss statement for the year 2013 showing net profit in the amount of 68 218 820,19 zlotys,
3. to approve the statement of comprehensive income for the year 2013 showing a total income in the amount of 68 548 824,82 zlotys,

4. to approve the cash flow statement for the year 2013 showing an increase in the amount of cash 77 514 031,97 zlotys,
5. to approve the statement on changes in the share capital showing it to be on the level of 308 927 698,83 zlotys as of December 31, 2013,
6. to approve the additional information and explanations,
7. to approve the report of the Board on the activities of the Company in the year 2013.

§ 2

The General Meeting obligates the Board of the Company to immediately submit the financial report for the year 2013 together with the report of the Board on the activities of the Company in the year 2013 and accompanied by the expert accountant opinion to the companies' register held at the National Court Register.

§ 3

The resolution shall enter into force as of the day of its adoption.

Resolution no. 4

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok of June 23, 2014 with regard to the approval of the consolidated financial report of the capital group STOMIL SANOK S.A. for the year 2013 and of the report on the activities of the capital group in the year 2013.

Based on the article 63c section 4 of the Act of parliament dated September 29, 1994 with regard to the accountancy (Journal of Laws of 2013, Item 330 as amended), the following is hereby adopted:

§ 1

The General Meeting, after having examined the consolidated financial report of the capital group STOMIL SANOK Spółka Akcyjna, submitted by the Board and verified by an expert accountant, including the financial situation report (balance-sheet), profit and loss statement, consolidated statement of comprehensive income, cash flow report, statement on changes in the share capital, additional information and explanations as well as report of the Board of the dominant entity on the activities of the Capital Group in 2013, the group consisting of STOMIL SANOK Spółka Akcyjna acting as the dominant entity and the following subsidiaries covered in the consolidated report:

- a) STOMIL SANOK DYSTRYBUCJA Limited Liability Company seated in Bogucin near Poznań,
- b) STOMET Limited Liability Company seated in Sanok,
- c) STOMIL Sanatorium & Tourism Limited Liability Company seated in Rymanów-Zdrój,
- d) Commercial and Service Enterprise STOMIL EAST Limited Liability Company seated in Sanok,
- e) Stomil Sanok WIATKA Joint Stock Company seated in Kirov (Russia),
- f) Stomil Sanok RUS Limited Liability Company seated in Moscow (Russia),
- g) Stomil Sanok BR Foreign Private Production Unitary Enterprise seated in Brest (Belarus),
- h) Stomil Sanok Ukraine Limited Liability Company seated in Równe (Ukraine),
- i) Sanok (Qingdao) Auto Parts Limited Liability Company seated in Qingdao (China),
- j) Rubber & Plastic Systems S.A.S seated in Villers-la-Montagne (France)

decides:

1. to approve the consolidated financial situation report (balance-sheet) made as of December 31, 2013 showing the sum of 514 109 thousand zlotys on both the side of assets and liabilities,
2. approve the consolidated profit and loss statement for the year 2013 showing net profit in the amount of 69 810 thousand zlotys,
3. to approve the consolidated statement of comprehensive income for the year 2013 showing a total income in the amount of 69 950 thousand zlotys
4. to approve the consolidated statement on changes in the share capital showing it to be on the level of 330 414 thousand zlotys as of December 31, 2013,
5. to approve the consolidated cash flow report for the year 2013 showing an increase in the amount of cash 76 401 thousand zlotys
6. to approve the additional information and explanations,
7. to approve the report of the Board on the activities of the Capital Group in the year 2013.

§ 2

The General Meeting obligates the Board of the Company to immediately submit the consolidated financial report for the year 2013 together with the report on the activities of the Capital Group in the year 2013 and accompanied by the expert accountant opinion to the companies' register held at the National Court Register.

§ 3

The resolution shall enter into force as of the day of its adoption.

Resolution no. 5

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok of June 23, 2014 with regard to the granting of the vote of acceptance to the President of the Board of the Company on performance of his duties in the year 2013.

Based on the article 395 §2 point 3) of the Commercial Companies' Code as well as §30 section 1 point 3) of the Statute of the Company, the following is hereby adopted:

§ 1

The General Meeting grants Mr Marek Łęcki – the President of the Board of the Company – the vote of acceptance on performance of his duties in the year 2013.

§ 2

The resolution shall enter into force as of the day of its adoption.

Resolution no. 6

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok of June 23, 2014 with regard to the granting of the vote of acceptance to a Member of the Board of the Company on performance of his or her duties in the year 2013.

Based on the article 395 §2 point 3) of the Commercial Companies' Code as well as §30 section 1 point 3) of the Statute of the Company, the following is hereby adopted:

§ 1

The General Meeting grants Mrs. Grażyna Kotar – the Member of the Board of the Company – the vote of acceptance on performance of her duties in the year 2013.

§ 2

The resolution shall enter into force as of the day of its adoption.

Resolution no. 7

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok of June 23, 2014 with regard to the granting of the vote of acceptance to a Member of the Board of the Company on performance of his or her duties in the year 2013.

Based on the article 395 §2 point 3) of the Commercial Companies' Code as well as §30 section 1 point 3) of the Statute of the Company, the following is hereby adopted:

§ 1

The General Meeting grants Mrs. Marta Rudnicka – the Member of the Board of the Company – the vote of acceptance on performance of her duties in the year 2013.

§ 2

The resolution shall enter into force as of the day of its adoption.

Resolution no. 8

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok of June 23, 2014 with regard to the granting of the vote of acceptance to a Member of the Board of the Company on performance of his or her duties in the year 2013.

Based on the article 395 §2 point 3) of the Commercial Companies' Code as well as §30 section 1 point 3) of the Statute of the Company, the following is hereby adopted:

§ 1

The General Meeting grants Mr. Mariusz Młodecki – the Member of the Board of the Company – the vote of acceptance on performance of his duties in the year 2013.

§ 2

The resolution shall enter into force as of the day of its adoption.

Resolution no. 9

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok of June 23, 2014 with regard to the granting of the vote of acceptance to a Member of the Board of the Company on performance of his or her duties in the year 2013.

Based on the article 395 §2 point 3) of the Commercial Companies' Code as well as §30 section 1 point 3) of the Statute of the Company, the following is hereby adopted:

§ 1

The General Meeting grants Mr. Marcin Saramak – the Member of the Board of the Company – the vote of acceptance on performance of his duties in the year 2013.

§ 2

The resolution shall enter into force as of the day of its adoption.

Resolution no. 10

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok of June 23, 2014 with regard to the granting of the vote of acceptance to the President of the Supervisory Board of the Company on performance of his duties in the year 2013.

Based on the article 395 §2 point 3) of the Commercial Companies' Code as well as §30 section 1 point 3) of the Statute of the Company, the following is hereby adopted:

§ 1

The General Meeting grants Mr. Jerzy Gabrielczyk – the President of the Supervisory Board – the vote of acceptance on performance of his duties in the year 2013.

§ 2

The resolution shall enter into force as of the day of its adoption.

Resolution no. 11

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok, dated June 23, 2014 with regard to the granting of the vote of acceptance to the Vice President of the Supervisory Board of the Company on performance of his duties in the year 2013.

Based on the article 395 §2 point 3) of the Commercial Companies' Code as well as §30 section 1 point 3) of the Statute of the Company, the following is hereby adopted:

§ 1

The General Meeting grants Mr. Grzegorz Stulgis – the Vice President of the Supervisory Board of the Company – the vote of acceptance on performance of his duties in the year 2013.

§ 2

The resolution shall enter into force as of the day of its adoption.

Resolution no. 12

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok, dated June 23, 2014 with regard to the granting of the vote of acceptance to a Member of the Supervisory Board of the Company on performance of his or her duties in the year 2013.

Based on the article 395 §2 point 3) of the Commercial Companies' Code as well as §30 section 1 point 3) of the Statute of the Company, the following is hereby adopted:

§ 1

The General Meeting grants Mr. Grzegorz Rysz – the Member of the Supervisory Board of the Company – the vote of acceptance on performance of his duties in the year 2013.

§ 2

The resolution shall enter into force as of the day of its adoption.

Resolution no. 13

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok, dated June 23, 2014 with regard to the granting of the vote of acceptance to a Member of the Supervisory Board of the Company on performance of his or her duties in the year 2013.

Based on the article 395 §2 point 3) of the Commercial Companies' Code as well as §30 section 1 point 3) of the Statute of the Company, the following is hereby adopted:

§ 1

The General Meeting grants Mr. Michał Suflida – the Member of the Supervisory Board of the Company – the vote of acceptance on performance of his duties in the year 2013.

§ 2

The resolution shall enter into force as of the day of its adoption.

Resolution no. 14

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok, dated June 23, 2014 with regard to the granting of the vote of acceptance to a Member of the Supervisory Board of the Company on performance of his or her duties in the year 2013.

Based on the article 395 §2 point 3) of the Commercial Companies' Code as well as §30 section 1 point 3) of the Statute of the Company, the following is hereby adopted:

§ 1

The General Meeting grants Mr. Wojciech Adamczyk – the Member of the Supervisory Board of the Company – the vote of acceptance on performance of his duties in the year 2013.

§ 2

The resolution shall enter into force as of the day of its adoption.

Resolution no. 15

of the Ordinary General Meeting of Shareholders of Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK Spółka Akcyjna in Sanok, dated June 23, 2014 with regard to the split of the clear profit shown in the financial report "STOMIL SANOK" S.A. for the year 2013

Based on the article 395 §2 point 2) of the Commercial Companies' Code as well as §30 section 1 point 2) of the Statute of the Company, the following is hereby adopted:

§ 1

The General Meeting, after having examined the motion of the Board with regard to the split of the clear profit shown in the financial report of „STOMIL SANOK” S.A. for the year 2013 and after having examined the report of the Supervisory Board on the results of verification of this motion, decides to split the clear profit for the year 2013 in the amount 68 218 820,19 zlotys and the undistributed clear profit from last years in the amount 6 024,31 zlotys, i.e. altogether clear profit in the amount 68 224 844,50 zlotys in the following way:

1. the amount of 34 140 040,94 zlotys is to be assigned for distribution among shareholders in the form of dividend, however:
 - a) the amount of dividend per single share: 1,27 zlotys,
 - b) the date of dividend: July 2, 2014
 - c) the date of payment of dividend: July 17, 2014
2. the amount of 34 084 803,56 zlotys is to be assigned for supplementary capital of the Company,

§ 2

The General Meeting obligates the Board of the Company to immediately submit a copy of this resolution to the companies' register held at the National Court Register.

§ 3

The resolution shall enter into force as of the day of its adoption.

Resolution No. 16

of the Annual General Shareholders' Meeting of Sanockie Zakłady Przemysłu Gumowego "STOMIL SANOK" Spółka Akcyjna in Sanok of 23 June 2014 on issue of subscription warrants with waiving the pre-emptive right of the existing Company's shareholders, the conditional share capital increase with waiving the pre-emptive right of the existing Company's shareholders, on permission to carry out the Company's Incentive Program for

years 2014 - 2017 (hereinafter referred to as "Program") and amendments to the Company's Articles of Association

The Annual General Shareholders' Meeting of Sanockie Zakłady Przemysłu Gumowego "STOMIL SANOK" Spółka Akcyjna with its registered office in Sanok (hereinafter referred to as "**Company**") acting pursuant to Article 430 (1) and (5), Article 432, Article 393.5, Article 448, Article 449 and Article 453 (2) of the Act of 15 September 2000 - the Commercial Companies Code (i.e. Journal of Law of 2013, No. 1030 as amended) ("**CCC**") hereby resolves the following:

§ 1

1. Subject to the registration of the conditional increase of the Company's share capital by the competent registration court, the Management Board is hereby authorized to a single issue:
 - 1) up to 268,818 (in words: two hundred and sixty-eight thousand eight hundred and eighteen) registered A1-series warrants ("**A1 warrants**") under the terms of this Resolution entitling their holders to subscribe for no more than 268,818 (in words: two hundred and sixty-eight thousand eight hundred and eighteen) ordinary bearer A1-series shares with a par value of PLN 0.20 (twenty groszy) each, with a total nominal value of PLN 53,763.60 (in words: fifty-three thousand seven hundred and sixty-three 60/100), which will be issued in accordance with § 3 hereof ("**A1-series shares**"). A1 Warrants may be issued not later than 31 December 2022;
 - 2) up to 322,584 (in words: three hundred and twenty-two thousand five hundred and eighty-four) registered B1-series warrants ("**B1 warrants**") under the terms of this Resolution entitling their holders to subscribe for no more than 322,584 (in words: three hundred and twenty-two thousand five hundred and eighty-four) ordinary bearer B1-series shares with a par value of PLN 0.20 (twenty groszy) each, with a total nominal value of PLN 64,516.80 (in words: sixty-four thousand five hundred and sixteen 80/100), which will be issued in accordance with § 3 hereof ("**B1-series shares**"). B1 Warrants may be issued not later than 31 December 2022;
 - 3) up to 376,350 (in words: three hundred and seventy-six thousand three hundred and fifty) registered C1-series warrants ("**C1 warrants**") under the terms of this Resolution entitling their holders to subscribe for no more than 376,350 (in words: three hundred and seventy-six thousand three hundred and fifty) ordinary bearer C1-series shares with a par value of PLN 0.20 (twenty groszy) each, with a total nominal value of PLN 75,270.00 (in words: seventy-five thousand two hundred and seventy), which will be issued in accordance with § 3 hereof ("**C1-series shares**"). C1 Warrants may be issued not later than 31 December 2022;
 - 4) up to 430,116 (in words: four hundred and thirty thousand one hundred and sixteen) registered D1-series warrants ("**D1 warrants**") under the terms of this Resolution entitling their holders to subscribe for no more than 430,116 (in words: four hundred and thirty thousand one hundred and sixteen) ordinary bearer D1-series shares with a par value of PLN 0.20 (twenty groszy) each, with a total nominal value of PLN 86,023.20 (in words: eighty-six thousand and twenty-three 20/100), which will be issued in accordance with § 3 hereof ("**D1-series shares**"). D1 Warrants may be issued not later than 31 December 2022;

In this Resolution A1 Warrants, B1 Warrants, C1 Warrants and D1 Warrants are hereinafter referred to collectively as "**Subscription warrants**", while A1-series shares, B1-series shares, C1-series shares and D1-series shares are hereinafter collectively referred to as the "**Shares**".

- The total maximum number of issued Warrants may not be greater than 1,075,272 (in words: one million seventy-five thousand two hundred and seventy-two).
2. Persons entitled to subscribe for Subscription warrants shall only be persons in employment relations, on the basis of which they work for the Company or, a Company's subsidiary, or in other legal relationship with the Company or a Company's subsidiary, or a Management Board member of the Company or Company's subsidiary, designated by the Board and approved by the Supervisory Board ("**Eligible persons**").
 3. Subscription warrants shall be offered in a private placement.
 4. Subscription warrants will be issued in the form of a document and may be issued in collective certificates.
 5. Subscription warrants shall be issued free of charge.
 6. One A1 warrant shall entitle to subscribe for one A1-series share. One B1 warrant shall entitle to subscribe for one B1-series share. One C1 warrant shall entitle to subscribe for one C1-series share. One D1 warrant shall entitle to subscribe for one D1-series share.
 7. The right to subscribe for Shares under Subscription warrants may be exercised no later than 31 December 2022.
 8. Subscription warrants of which the right to acquire the Shares have not been exercised within the period specified in § 1 (7) shall expire.
 9. Acquisition of Warrants by Eligible persons may only take place under the conditions set out in the Program.
 10. Subscription warrants are transferable.
 11. Subscription warrants may be inherited.
 12. After reading the written opinion of the Management Board for the General Meeting of the Company justifying the deprivation of the existing shareholders' pre-emptive rights and the Subscription warrants and the proposed Share issue price presented at the Annual General Meeting constituting Appendix 2 hereto, in the interest of the Company, the existing Company shareholders are deprived of warrant pre-emptive rights.
 13. The Annual General Meeting authorizes the Management Board to:
 - 1) take any action related to the issue and allotment of the Subscription warrants, including the determination of the content of the Subscription warrant certificate and the collective Warrant certificate, as well as
 - 2) take any action related to the disposal of Warrants to Eligible persons hereunder and under the Program, with the exception of the acts herein applying exclusively to the Supervisory Board, as well as to conclude an agreement with a selected financial institution under which the institution will perform selected activities associated with the storage of Warrants, provided that the Board finds such an agreement to be reasonable.

§ 2.

The Annual General Meeting of the Company hereby approves the Program Regulations ("**Regulations**") in the wording attached as Appendix 1 hereto.

§ 3.

1. The Company's share capital is conditionally increased and the nominal value of the conditional capital increase shall not exceed PLN 215,054.40 (in words: two hundred

and fifteen thousand and fifty-four 40/100) by issuing:

- 1) no more than 268,818 (in words: two hundred and sixty-eight thousand eight hundred and eighteen) ordinary bearer A1-series shares with a par value of PLN 0.20 (twenty groszy) each, with a total nominal value of PLN 53,763.60 (in words: fifty-three thousand seven hundred and sixty-three 60/100) ("**A1-series shares**");
- 2) no more than 322,584 (in words: three hundred and twenty-two thousand five hundred and eighty-four) ordinary bearer B1-series shares with a par value of PLN 0.20 (twenty groszy) each, with a total nominal value of PLN 64,516.80 (in words: sixty-four thousand five hundred and sixteen 80/100) - if no Warrants were allotted to new managers in the previous year ("**B1-series shares**");
- 3) no more than 376,350 (in words: three hundred and seventy-six thousand three hundred and fifty) ordinary bearer C1-series shares with a par value of PLN 0.20 (twenty groszy) each, with a total nominal value of PLN 75,270.00 (in words: seventy-five thousand two hundred and seventy) - if no Warrants were allotted to new managers in the previous year ("**C1-series shares**").
- 4) no more than 430,116 (in words: four hundred and thirty thousand one hundred and sixteen) ordinary bearer D1-series shares with a par value of PLN 0.20 (twenty groszy) each, with a total nominal value of PLN 86,023.20 (in words: eighty-six thousand and twenty-three 20/100) - if no Warrants were allotted to new managers in the previous year ("**D1-series shares**").

The total maximum number of issued A1-series shares, B1-series shares, C1-series shares and D1-series shares may not be greater than 1,075,272 (in words: one million seventy-five thousand two hundred and seventy-two).

2. The conditional increase of the share capital is carried out in order to grant rights to subscribe for Shares to the holders of Warrants to be issued hereunder.
3. The right to subscribe for Shares may be exercised within the period specified in § 1 (7) hereof.
4. The Issue price of Shares is:
 - 1) For each of A1-series shares allocated for the first year of the Program, i.e. for 2014, the issue price per share is equal to the arithmetic mean of closing prices of the Company' shares during the period from 20 March 2014 up to the day proceeding the announcement of convening the Annual General Meeting in 2014, less gross dividends paid (per share) for years 2014, 2015, 2016, 2017 and 2018, provided that the record date is earlier than the first day on which the A1 warrant holder will be entitled to execute and take up A1-series shares;
 - 2) For each of B1-series shares allocated for the second year of the Program, i.e. for 2015, the issue price per share is equal to the arithmetic mean of closing prices of the Company' shares from Q1 2015 less dividends paid or Revenue value for years: 2015, 2016, 2017 and 2018, provided that the record date of dividend or revenue is earlier than the first day on which the B1 warrant holder will be entitled to execute and take up B1-series shares;
 - 3) For each of C1-series shares allocated for the third year of the Program, i.e. for 2016, the issue price per share is equal to the

arithmetic mean of closing prices of the Company' shares from Q1 2016 less dividends paid or Revenue value for years 2016, 2017 and 2018, provided that the record date of dividend or revenue is earlier than the first day on which the C1 warrant holder will be entitled to execute and take up C1-series shares;

- 4) For each of D1-series shares allocated for the fourth year of the Program, i.e. for 2017, the issue price per share is equal to the arithmetic mean of closing prices of the Company' shares from Q1 2017 less dividends paid or Revenue value for years 2017 and 2018, provided that the record date of dividend or revenue is earlier than the first day on which the D1 warrant holder will be entitled to execute and take up D1-series shares.

As used herein the word "**Revenue**" has the meaning given in the Regulations.

As used herein the term "**Program year**" ("Program years") has the meaning given in the Regulations.

5. Shares shall only be issued for cash to the holders of Warrants who submit a written statement on acquisition of the Shares, in accordance with Article 451 (1) of the CCC and pay appropriate issue price of the Shares for a given series.
6. Shares shall be entitled to a dividend or any other distribution of Company's assets on equal terms with all other Company's shares from the date of issue. This means that if the date when the right to the dividend, pre-emptive rights, right to advance payment of future dividends, right to bonus shares or other rights or benefits from the Company associated with holding of shares at a particular date is marked with the date not earlier than the date of issue of Shares, then Shares are entitled to participate in the right almost on the same terms as all other shares of the Company.
7. After reading the written opinion of the Management Board for the General Meeting of the Company justifying the deprivation of the existing shareholders' pre-emptive rights and the Subscription warrants and the proposed Share issue price presented at the Annual General Meeting constituting Appendix 2 hereto, in the interest of the Company, the existing Company shareholders are deprived of share pre-emptive rights.
8. The Annual General Meeting decides to apply for admission and introducing Shares to trading on the regulated market of the Warsaw Stock Exchange.
9. The Annual General Meeting hereby resolves to dematerialise Shares.
10. The Annual General Meeting authorizes and requires the Management Board to:
 - 1) conclude an agreement for the registration of Shares in the depository for securities maintained by Krajowy Depozyt Papierów Wartościowych S.A. with its registered office in Warsaw ("**KDPW**", "**National Depository for Securities**", "**NDS**"),
 - 2) enter into agreements with a selected financial institution under which the institution will perform all or selected activities related to the issue, taking up and registration of Shares in the NDS and admission and introduction of Shares to trading on the regulated market of the Warsaw Stock Exchange,
 - 3) take all actions related to the allocation of Shares to Eligible persons hereunder and under the Program, except those related to the allocation of shares to the members of the Management Board, which shall be undertaken by the Supervisory Board,

- 4) take all actions necessary to implement this Resolution, including taking all actions necessary for the registration of the Shares in the NDS, admission and introduction of Shares to trading on the regulated market of the Warsaw Stock Exchange.

§ 4

In connection with the conditional increase of the share capital described hereunder § 8 of the Company's Articles of Association is changed and shall have the following wording:

"1. The Company's share capital shall be PLN 5,376,384.40 (five million three hundred and seventy-six thousand three hundred and eighty-four 40/100) and shall be divided into PLN 26,881,922 (in words: twenty-six million eight hundred and eighty-one thousand nine hundred and twenty-two) ordinary bearer shares.

2. The nominal value of a single share amounts to PLN 0.20 (in words: twenty groszy).

3. The share capital may be raised by virtue of a resolution of the General Meeting. The share capital increase requires a change in the Articles of Association and is carried out by issuing new shares or increasing the par value of existing shares.

4. With the exception of shares acquired in connection with the transformation of a state enterprise under name Sanockie Zakłady Przemysłu Gumowego STOMIL in Sanok, remaining shares have been fully paid in cash.

5. Each share shall carry one vote at the General Meeting.

6. The nominal value of the conditional capital increase shall not exceed PLN 215,054.40 (in words: two hundred and fifteen thousand and fifty-four 40/100) and shall be divided into no more than 1,075,272 (in words: one million and seventy-five thousand two hundred and seventy-two) ordinary bearer shares issued in the following series:

1) ordinary bearer A1-series shares of no more than 268,818 (in words: two hundred and sixty-eight thousand eight hundred and eighteen),

2) ordinary bearer B1-series shares of no more than 322,584 (in words: three hundred and twenty-two thousand five hundred and eighty-four),

3) ordinary bearer C1-series shares of no more than 376,350 (in words: three hundred and seventy-six thousand three hundred and fifty),

4) ordinary bearer D1-series shares of no more than 430,116 (in words: four hundred and thirty thousand one hundred and sixteen).

7. The purpose of the conditional increase of the share capital is:

1) to grant rights to acquire A1-series shares to holders of A1 warrants issued by the Company pursuant to Resolution No. 16 of the Annual General Meeting of the Company dated 23 June 2014;

2) to grant rights to acquire B1-series shares to holders of B1 warrants issued by the Company pursuant to Resolution No. 16 of the Annual General Meeting of the Company dated 23 June 2014;

3) to grant rights to acquire C1-series shares to holders of C1 warrants issued by the Company pursuant to Resolution No. 16 of the Annual General Meeting of the Company dated 23 June 2014;

4) to grant rights to acquire D1-series shares to holders of D1 warrants issued by the Company pursuant to Resolution No. 16 of the Annual General Meeting of the Company dated 23 June 2014;

8. Persons entitled to acquire A1-series shares shall be holders of A1 warrants issued by the Company pursuant to Resolution No. 16 of the Annual General Meeting of the Company dated 23 June 2014;
9. Persons entitled to acquire B1-series shares shall be holders of B1 warrants issued by the Company pursuant to Resolution No. 16 of the Annual General Meeting of the Company dated 23 June 2014.
10. Persons entitled to acquire C1-series shares shall be holders of C1 warrants issued by the Company pursuant to Resolution No. 16 of the Annual General Meeting of the Company dated 23 June 2014.
11. Persons entitled to acquire D1-series shares shall be holders of D1 warrants issued by the Company pursuant to Resolution No. 16 of the Annual General Meeting of the Company dated 23 June 2014.
12. Holders of A1 warrants shall be entitled to exercise the right to acquire A1-series shares up to 31 December 2022.
13. Holders of B1 warrants shall be entitled to exercise the right to acquire B1-series shares up to 31 December 2022.
14. Holders of C1 warrants shall be entitled to exercise the right to acquire C1-series shares up to 31 December 2022.
15. Holders of D1 warrants shall be entitled to exercise the right to acquire D1-series shares up to 31 December 2022.
16. A1-series shares are issued to holders of A1 warrants for a cash contribution.
17. B1-series shares are issued to holders of B1 warrants for a cash contribution.
18. C1-series shares are issued to holders of C1 warrants for a cash contribution.
19. D1-series shares are issued to holders of D1 warrants for a cash contribution."

§ 5

The Supervisory Board shall be authorized to establish a uniform text of the amended Company's Articles of Association, including the amendments made hereby.

§ 6

The Resolution shall become effective upon its adoption provided that the legal effect in the form of amendments to Company's Articles of Association referred to in § 4 hereof and the power of the Management Board to issue Warrants are created upon registration of amendments to Company's Articles of Association to the Register of Entrepreneurs kept by the National Court Register.

INCENTIVE PROGRAM REGULATIONS

Whereas:

- 1) The General Meeting of the Company on 23 June 2014 has adopted a resolution on the conditional increase of the Company's capital and on the issue of subscription warrants to be acquired free of charge by eligible employees of the Company;
- 2) In the opinion of the General Meeting, linking remuneration received by key employees with the increase in the share value and their participation increase in the shareholding Company's structure will be beneficial to the Company and its shareholders;
- 3) In the opinion of the General Meeting, keeping key Company's managers is of paramount importance in obtaining a significant increase in the goodwill;

The General Meeting of Shareholders has resolved the following Regulations:

§ 1.

Definitions

In these Regulations the following terms and expressions shall have the meaning ascribed to them in this section, unless another meaning of any term or expression stems directly from the context and the use of small letters:

- 1) **"Share"** means A1-series share, B1-series share, C1-series share or D1-series share; The Company shall issue not more than 1 075 272 Shares;
- 2) **"A1-series share"** means one Company's share issued by the Company to holders of A1-series warrants on the basis of the statement of the A1 Warrant holder on the exercise of the rights arising from A1 Warrant and payment of the A1 Warrant exercise price; The Company shall issue up to 268 818 A1-series shares;
- 3) **"B1-series share"** means one Company's share issued by the Company to holders of B1-series warrants on the basis of the statement of the B1 Warrant holder on the exercise of the rights arising from B1 Warrant and payment of the B1 Warrant exercise price; The Company shall issue up to 322 584 B1-series shares - if no Warrants were allotted to new managers in the previous year;
- 4) **"C1-series share"** means one Company's share issued by the Company to holders of C1-series warrants on the basis of the statement of the C1 Warrant holder on the exercise of the rights arising from C1 Warrant and payment of the C1 Warrant exercise price; The Company shall issue up to 376 350 C1-series shares - if no Warrants were allotted to new managers in previous years;
- 5) **"D1-series share"** means one Company's share issued by the Company to holders of D1-series warrants on the basis of the statement of the D1 Warrant holder on the exercise of the rights arising from D1 Warrant and payment of the D1 Warrant exercise price; The Company shall issue up to 430 116 D1-series shares - if no Warrants were allotted to new managers in previous years;
- 6) **"Warrant exercise price"** and the **"Share issue price"** means the issue price per Share payable on the holder deposit of the statement on Warrant execution, provided that:
 - a. For each of A1 Warrants and each of A1-series shares allocated for the first year of the Program, i.e. for 2014, the issue price per share is equal to the arithmetic mean of closing

prices of the Company' shares during the period from 20 March 2014 up to the day proceeding the announcement of convening the Annual General Meeting in 2014, less gross dividends paid (per share) for years 2014, 2015, 2016, 2017 and 2018, provided that the record date is earlier than the first day on which the A1 warrant holder will be entitled to execute and take up A1-series shares;

- b. For B1 Warrants and each of B1-series shares allocated for the second year of the Program, i.e. for 2015, the issue price per share is equal to the arithmetic mean of closing prices of the Company' shares from Q1 2015 less dividends paid or Revenue value for years 2015, 2016, 2017 and 2018, provided that the record date of dividend or revenue is earlier than the first day on which the B1 warrant holder will be entitled to execute and take up B1-series shares;
 - c. For C1 Warrants and each of C1-series shares allocated for the third year of the Program, i.e. for 2016, the issue price per share is equal to the arithmetic mean of closing prices of the Company' shares from Q1 2016 less dividends paid or Revenue value for years 2016, 2017 and 2018, provided that the record date of dividend or revenue is earlier than the first day on which the C1 warrant holder will be entitled to execute and take up C1-series shares;
 - d. For D1 Warrants and each of D1-series shares allocated for the fourth year of the Program, i.e. for 2017, the issue price per share is equal to the arithmetic mean of closing prices of the Company' shares from Q1 2017 less dividends paid or Revenue value for years 2017 and 2018, provided that the record date of dividend or revenue is earlier than the first day on which the D1 warrant holder will be entitled to execute and take up D1-series shares;
- 7) **"Revenue"** means other than cash dividends or rights granted by the Company to the shareholders, such as bonus shares, pre-emptive rights or subscription warrants, which shall be calculated in a manner analogous to the principles adopted for the calculation of the WIG index;
 - 8) **"Business Day"** means any day other than a Saturday, Sunday or a public holiday in Poland;
 - 9) **"Group"** means the Company and the subsidiaries of the Company, in accordance with the accounting principles applied by the Company;
 - 10) **"Revenue dynamics criterion"** means the ratio expressed as a percentage, the numerator of which is consolidated sales revenue of the Group in each next year of the Program, and the denominator is consolidated sales revenue of the Group in the relevant Base year provided that this criterion is fulfilled if the ratio expressed as a percentage is greater than 110 %; Revenue Dynamics criterion is met if:

$$(PS_{RP}/PS_{RB}) * 100 > 110\%$$

where:

PS_{RP} is consolidated sales revenue in the Program year

PS_{RB} is consolidated sales revenue in the Base year

Revenue dynamics criterion is not considered to be satisfied in a given Program year if the ratio calculated for EBITDA dynamics criterion per share is lower than 105%, subject to the next sentence.

Revenue dynamics criterion shall be considered to be satisfied for all Program years, if the Revenue dynamics of 2017/2013 is at least 146%.

- 11) "Criterion of EBITDA dynamics per share" means the ratio expressed as a percentage, the numerator of which is consolidated Group's EBITDA in a given Program year per one Company's share as of 31 December that year and the denominator is Group's EBITDA in the Base year per one Company's share, provided that this criterion is fulfilled if the ratio expressed as a percentage is greater than 110 %; EBITDA dynamics criterion is met if:

$$(E_{RP}/E_{RB}) * 100 > 110\%$$

where:

E_{RP} is a consolidated EBITDA in the Program year per share

E_{RB} is a consolidated EBITDA in the Base year per share

EBITDA dynamics criterion shall be considered to be satisfied for all Program years, if the EBITDA dynamics per share of 2017/2013 is at least 146%.

- 12) "**Growth Criterion of Shareholders' Value**" means the difference between (1) the ratio of (i) the arithmetic mean of the closing price of Company's shares for the period from 20 March to the Annual General Meeting in the year following each Program year, plus the sum of dividends and income paid (per share) in the same Program year (numerator) and (ii) the arithmetic mean of the closing price of Company's shares for the period from 20 March to the Annual General Meeting in the Program year (denominator), and (2) the ratio of (iii) the arithmetic mean of the WIG index closing value from 20 March to the Annual General Meeting in the year following each Program year (numerator) and (iv) the arithmetic mean of the WIG index closing value for the period from 20 March up to the date preceding the Annual General Meeting of the Program year, provided that this criterion is fulfilled if the difference is equal to or greater than 0.03. Growth criterion is met in the Program year if:

$$[(P_{RP+1} + D_{RP}) / P_{RP}] - [WIG_{RP+1} / WIG_{RP}] \geq 0.03$$

where:

" P_{RP+1} " means the arithmetic mean of closing price of the Company' share for the period from 20 March to the Annual General Meeting in the year following the Program year

" D_{RP} " means the sum of dividends and Income paid per Company's share in the Program year

" P_{RP} " means the arithmetic mean of closing price of the Company' share for the period from 20 March up to the date preceding the Annual General Meeting in the Program year

" WIG_{RP+1} " means the arithmetic mean of WIG index value for the period from 20 March up to the date preceding the Annual General Meeting in the year following the Program year

" WIG_{RP} " means the arithmetic mean of WIG index value for the period from 20 March up to the date preceding the Annual General Meeting in the Program year

- 13) "**List of eligible persons**" made annually by the Management Board and approved by the Supervisory Board is a list of participants in the Program, including New eligible persons when lists are drawn up before the end of the first, second and third year of the Program;
- 14) "**Legal Successor**" means a person who, upon consent of the Eligible person enters into the rights of the Eligible person in case of their death before the date of acquisition of the Warrants and is entitled to subscribe for the Warrants, for whom the Entitlement acquisition took place before the death of Eligible person subject to the provisions of § 6 (2);

- 15) **"Entitlement acquisition"** means the occurrence of events, held in the manner specified in these Regulations, constituting the fulfillment of one of the Program Criteria, resulting in entitlement of the Eligible person to subscribe for a certain number of Warrants as a result of the fulfillment of one or more Criteria; Entitlement acquisition is on condition subsequent the events referred to in these Regulations, no later than prior to taking up Warrant by the Eligible person. For the purposes of these Regulations, it is assumed that the Entitlement acquisition occurs on 31 December, of the Program Year, regardless of a date the Management Board and the Supervisory Board have agreed that the Entitlement acquisition has occurred;
- 16) **"New eligible person"** means a person entered into the List of Eligible persons for the first time before the end of the first, second and third Program year. Legal successors are not New eligible persons;
- 17) **"Warrant exercise period"** means the period beginning on the tenth Business Day following the day of publication of the Final list of Eligible persons and ending on 31 December 2022, during which the Warrant holders shall be entitled to make a statement on the execution of Warrants and taking up Shares;
- 18) **"Eligible person"** means a person entered into the List of Eligible persons, including New eligible persons, who in the case of the Entitlement acquisition obtains the right to subscribe for Warrants under the conditions specified in these Regulations;
- 19) **"Final list of Eligible persons"** means the list of Eligible persons and Legal successors, prepared by the Board and approved by the Supervisory Board, upon approval by the General Meeting of the consolidated financial statements for the last Program year, i.e. for 2017. The List indicates for each of these persons of the number of Warrants to which they have obtained the Entitlement acquisition;
- 20) **"Initial list of Eligible persons"** means the List of Eligible persons prepared by the Board and approved by the Supervisory Board within 14 days from its receipt from the Board. The Initial list of Eligible persons shall allocate 215 052 A1 Warrants and up to 645 156 remaining Warrants, in equal number for each series;
- 21) **"Employee"** means a person in employment relations, on the basis of which they work for the Company or a Company's subsidiary, or in other legal relationship with the Company or a Company's subsidiary ("employment relations") or a Management Board member of the Company or Company's subsidiary;
- 22) **"Program"** means the process of granting rights to Eligible persons, implemented up to 2022, to acquire up to 1 075 272 Company's shares in total by granting them entitlement to acquire, free of charge, up to 1 075 272 warrants entitling to take up shares by 31 December 2022 at the Issue price no earlier than after the approval of the Company's consolidated financial statements for 2017, carried out under these Regulations;
- 23) **"Supervisory Board"** means the Supervisory Board of the Company;
- 24) **"Base year"** ("Base years") means the relevant year to determine the fulfillment of the Criteria for the relevant Program, and:
 - for 2014, the base year is 2013,
 - for 2015, the base year is 2014,
 - for 2016, the base year is 2015,

for 2017, the base year is 2016;

- 25) **"Program year"** ("**Program years**") shall mean each calendar year of the Program, for which fulfilling Criteria is determined;
- 26) **"Company"** means Sanockie Zakłady Przemysłu Gumowego „STOMIL SANOK” S.A. with its registered office in Sanok;
- 27) **"Tranche"** means one-third of the total number of Warrants in equal parts for each series i.e. 358 424 Warrants for which one of the Incentive Program Criteria is appropriate to;
- 28) **"Resolution of the General Meeting"** means the resolution of the General Meeting of 23.06.2014 on the conditional increase of share capital by the issue of A1-series shares, B1-series shares, C1-series shares and D1-series shares, issue of subscription warrants and the adoption of the Program Regulations;
- 29) **"General Meeting"** means the General Meeting of the Company;
- 30) **"Warrants"** means subscription warrants of the Company issued pursuant to resolution No. 16 of the General Meeting dated 23.06.2014, regardless of Shares Warrants entitle their holders to take up;
- 31) **"WIG index"** means "the Warsaw Stock Exchange Index", return index of Giełda Papierów Wartościowych w Warszawie SA taking into account the Revenue value paid to the shareholders and prices of listed company's shares;
- 32) **"Management Board"** means the Management Board of the Company;
- 33) **"Flat-rate warrant value"** means an amount determined as 90% of the positive difference between the arithmetic mean of the closing price of shares for the period from 20 March to the Annual General Meeting in 2018 and the Issue price of the Share of respective series.

§ 2

General Provisions

1. The Company implement the **Program** pursuant to the resolution of the General Meeting of 23.06.2014 on the conditional increase of share capital, amendments to the Company's Articles of Association, issue up to 1 075 272 subscription warrants and the adoption of the Incentive Program Regulations;
2. Eligible persons may include employees appointed by the Board and accepted by the Supervisory Board.
3. The first **Program** year is 2014, the last Program year - 2017.
4. During Program implementation there will be issued not more than 1 075 272 warrants entitling to acquire not more than 1 075 272 Shares.
5. Warrants from any Tranche for which the Entitlement acquisition was not fulfilled in a given year increase the number of Warrants for which the criterion may be fulfilled in subsequent years;
6. The right to subscribe for Shares is expressed in Warrants. Warrants are registered securities, from their acquisition and are subject to inheritance on general terms. They may be transferred to another person by assignment and transfer of Warrant ownership.
7. The right to subscribe for Warrants is personal and may be subject to inheritance only on the principles laid down in these Regulations. This right may not be subject to dispositions inter vivos.

8. The Company shall deposit Warrants or conclude a contract with an investment company which deposits Warrants.
9. Every year, each of Eligible persons may Acquire the Entitlement to subscribe for the appropriate number of Warrants in the Tranche, as defined in the List of Eligible persons before the end of the Program year, provided that Entitlement acquisition criterion appropriate for the Tranche is fulfilled for this Program year.
10. Each year when the Management Board submits for approval a new list of Eligible persons to the Supervisory Board it shall indicate for each of the Eligible persons and entered into the previous List of Eligible persons number of Warrants to which each of the Entitled persons has acquired the Entitlement.
11. The Entitlement acquisition occurs, subject to the provisions of § 6 (2), on condition subsequent- termination of the legal relationship under which the Eligible person is considered to be an Employee, unless a new or another legal relationship between the Eligible person and the Company or a Company's subsidiary is also a condition for recognition of that person as the Employee.

§ 3

Distribution of Program for Tranches

1. Under the Program Eligible persons will be able to take up 1 075 272 Warrants, free of charge, entitling to subscribe for 1 075 272 Shares at the Issue price.
2. There will be allocated 215 052 A1 Warrants and 645 156 Warrants of remaining series in the Initial list of Eligible persons.
3. Subject to the additional possibility of Entitlement acquisition of Warrants from the Tranche for which Entitlement acquisition was not fulfilled in previous years referred to in paragraph 5 below and the decision of the Supervisory Board referred to in paragraph 6 below, each Eligible person may acquire the right to subscribe for not less than the same number of Warrants in each of Tranches in each subsequent Program year as in the previous Program year.
4. A number of Warrants an Eligible person may take up as a result of the Program implementation is divided into three equal Tranches to which the Entitlement acquisition may arise with the completion of each subsequent Program year. One of the following criteria corresponds to each Tranche:
 - a. Revenue Dynamics criterion;
 - b. EBITDA dynamics criterion per Company's share;
 - c. Shareholders' Value Growth Criterion
5. If one of the Criteria was not fulfilled and as a result the Entitlement acquisition for Warrants from a given Tranche did not occur in a given year, Warrants, for which there was no Entitlement acquisition are carried forward to subsequent years under provisions of § 6 below. The transfer takes place only within the same Tranche and cannot increase the number of Warrants in other Tranches.
6. The Supervisory Board is authorized at the request of the Board, to increase annually the number of Warrants to which each of the Eligible persons may acquire the Entitlement, as the number of Warrants available due to losing the employee status by Eligible persons increases.

§ 4

Determining the List of Eligible persons

1. The list of Eligible persons shall be prepared by the Management Board and approved by the Supervisory Board.
2. The Management Board within fourteen days from the date of Regulations' adoption by the General Meeting shall submit to the Supervisory Board the Initial list of Eligible persons for their approval. The Initial list of Eligible persons concerns 215 052 A1 Warrants and 645 156 Warrants of remaining series.
3. The List of Eligible persons should indicate:
 - a. Name of Eligible person;
 - b. Number of Warrants for which the Entitlement to be acquired by the Eligible person in subsequent Program years will arise;
 - c. Indication of Legal successors.
4. Before the end of December of each subsequent Program year the Management Board shall submit to the Supervisory Board a new List of Eligible persons taking into account information indicated in the preceding paragraph as well as:
 - a. New eligible persons, providing information as required in section 3,
 - b. Number of Warrants for each of Eligible persons to which the Entitled persons have acquired the Entitlement.
 - c. The number of Warrants for which there was no Entitlement acquisition and for which the Entitlement acquisition may take place in coming years.
5. The Supervisory Board is bound by the proposal of the Management Board regarding entering into the List of Eligible persons a New eligible person, (i) if such a person results from an agreement concluded earlier with that person and (ii) if the Supervisory Board has agreed on its conclusion.
6. By the end of January of the following year the Supervisory Board, after the Program year will have ended shall approve the list of Eligible persons including New eligible persons.

§ 5

Entitlement acquisition criteria

1. Entitlement acquisition as a result of the fulfillment of a given criterion is confirmed by the Management Board on the basis of approved consolidated financial statements of the Group and the Company's quotation data from the WSE system. Resolution of the Board shall be approved by the Supervisory Board.
2. Confirmation of fulfillment of all Criteria shall be made within 30 days from the close of the General Meeting approving the financial statements for the previous Program year.
3. In addition, in determining whether certain criterion is fulfilled:
 - a. Shareholders' value criterion and EBITDA dynamics criterion per share will be calculated with eliminating effects of the number of shares due to distribution or a combination of shares;

- b. In determining the fulfillment of the EBITDA dynamics criterion per Company's share the cost of the Program resulting from the balance sheet valuation of the Program, as well as the effects of the Company's incentive program previously implemented will not be considered.

§ 6

Determining Entitlement acquisition

1. The Management Board within 30 days from the end of the General Meeting and approval of the consolidated financial statements for each Program year, by its resolution confirms fulfillment or non-fulfillment of each of the Entitlement acquisition criteria.
2. If the Eligible person before the end of the Program year has ceased to be an Employee, the Board may, upon the consent of the Supervisory Board, in special cases, recognize that the Eligible person has acquired the Entitlement on a pro - rata basis for the period during which the Eligible person was in the employment relations or corporate relationship with the Company. Particularly justified cases include:
 - a. Termination of employment relations or corporate relationship due to death of the Employee;
 - b. Termination of employment relations or corporate relationship due to a loss of the opportunity to provide work due to occupational accident or illness;
 - c. Termination of employment relations or corporate relationship due to special personal situation of the Employee or their relatives, which is caused by a higher moral imperative.
3. In the event that any of the Criteria has not fulfilled, the corresponding part of the rights to subscribe for the Warrants shall be transferred to subsequent years.
4. When in the next Program year or subsequent years not fulfilled criterion is fulfilled, the Board has shall determine an occurrence of the Entitlement acquisition also to the Warrants in respect of which the criterion in the previous year or previous years was not fulfilled.
5. Resolution of the Board shall be presented to the Supervisory Board at the next meeting for approval.
6. In 2018, the meeting of the Supervisory Board, which will approve the resolution of the Management Board on the establishment of fulfillment of the Criteria in the last Program year and determining the Final list of Eligible persons including the allocation of the Warrants for which Eligible persons have not been determined or who have lost their Eligibility status, should be held within 14 days from the date of approval of the consolidated financial statements by the General Meeting, but not later than on 14 July.
7. The number of Warrants granted to the Management Board on the basis of the Final list of Eligible persons may not exceed 50% of the total number of Warrants allotted.

§ 7

Exercise of right to subscribe for Warrants

1. From the Business day following the date of approval of the Final list of Eligible persons who have acquired the right to subscribe for the Warrants by the Supervisory Board, they may include Warrants.
2. The Company is entitled to pay Legal successors the Flat-rate warrant value of the Warrants to which they have acquired the Entitlement, from the date indicated in the first paragraph, but before 14 July 2018. The Company may perform this entitlement to all or part of the Warrants and in relation to all or selected Legal successors.

3. Warrants which are not covered by the Legal successors in connection with the Company's exercise of the entitlement referred to in the preceding paragraph, may be covered by the Eligible persons as indicated in the Final list of Eligible persons, for a payment in an amount equal to the product of the number of Warrants acquired by such Eligible person and Flat-rate warrant value to the Company. If Eligible persons demand the number of Warrants greater than the number of Warrants to which Legal successors of purchase are entitled to, an allotment of the Warrants possible to acquire on the terms set out in this section will be proportional to the number of Warrants held by the Eligible persons.
4. Legal successors may take up Warrants from 15 July 2018.

§ 8

Effects of termination of employment relations or corporate relationship with Eligible person

1. Subject to provisions of § 6 (2), in the case of termination of employment or corporate relationship of the Employee during the term of the Program or prior to publication of the Final list of Eligible persons, the entitlement of the Eligible person to subscribe for the Warrants expires and Warrants to which the person has previously acquired the entitlement increase the number of the Warrants that may be subscribed to Eligible persons upon the consent of the Supervisory Board.
2. In the case of an event referred to in § 6 (2) after the date of determining the Final list of Eligible persons and prior to the date of Employee warrant acquisition, the Board may apply to the Supervisory Board to adopt a resolution establishing maintenance of the entitlement of the Eligible person to subscribe for Warrants despite the loss of the Employee status. Otherwise, in the case of termination of employment or corporate employment relationship with the Employee in circumstances not justifying the entitlement maintenance to subscribe for Warrants, the Warrants will be subscribed by the Supervisory Board to other Eligible persons.
3. The Board may submit to the Supervisory Board its findings on the allocation of unallocated Warrants.

§ 9

Final Provisions

1. The number of Company's shares shall be understood as the number of shares registered in the Polish National Depository for Securities ("NDS") minus the number of the Company's shares bought back for redemption.
2. When determining EBITDA dynamics criterion per Company's share the number of shares as at 31 December of the relevant year is assumed, according to the status specified by the National Depository for Securities
3. Non-fulfillment of any of the Entitlement acquisition criteria for the entire period of the Program results in possible total loss of the Warrant allotment in the Tranche.

Opinion of the Management Board of "STOMIL SANOK" SA for the Annual General Meeting of the Company to justify: the deprivation of the existing shareholders' pre-emptive rights and the Subscription warrants; the proposed Share issue price, subscription warrants' issue and the appropriateness of the conditional capital increase

The Management Board of "STOMIL SANOK" SA hereby presents its opinion on justifying: the deprivation of the existing shareholders' pre-emptive rights and the Subscription warrants; the proposed Share issue price, subscription warrants' issue and the appropriateness of the conditional capital increase:

The rationale for deprivation of pre-emptive rights' of A1-series shares, B1-series shares, C1-series shares and D1-series shares, A1 Warrants, B1 Warrants, C1 Warrants and D1 Warrants is their issue purpose, which is to grant rights to take up A1-series shares, B1-series shares, C1-series shares and D1-series shares to holders of A1 Warrants, B1 Warrants, C1 Warrants and D1 Warrants being participants in the Incentive program implemented in accordance with the provisions of Resolution No. 16 of the Annual General Meeting of Company's Shareholders of 23 June 2014. Enabling holders of A1 Warrants, B1 Warrants, C1 Warrants and D1 Warrants to subscribe for newly issued Company shares is necessary in order to fulfil its obligations under the Incentive Program implemented on the basis of the aforementioned resolution. The participants of the Incentive Program will be key employees within the meaning of the Program. Their possible acquisition of newly issued shares will be an incentive to increase the Company's and the Group's efficiency as well as to bind these persons to Stomil Sanok Group for a long time.

The issue price of A1-series shares, B1-series shares, C1-series shares and D1-series shares has been fixed for each Program year separately at the market level with the specified timeframe of a given year.

Due to the fact that the issue of A1 Warrants, B1 Warrants, C1 Warrants and D1 Warrants is to implement the Incentive Program, in which the subscription warrants play a supporting role, their issue free of charge simplifies the implementation of the Program.

The conditional increase of the share capital is necessary in order to grant rights to subscribe for A1-series shares, B1-series shares, C1-series shares and D1-series shares by the holders of A1 Warrants, B1 Warrants, C1 Warrants and D1 Warrants.

For these reasons, deprivation of pre-emptive rights of A1-series shares, B1-series shares, C1-series shares and D1-series shares by existing shareholders and enabling their holders to subscribe for A1 Warrants, B1 Warrants, C1 Warrants and D1 Warrants is in the interest of the Company and is not contrary to the interests of their existing shareholders.

JUSTIFICATION OF DRAFT RESOLUTION

The Stomil Sanok SA strategy developed by the Management Board and key personnel of the Company assumes the development of the Capital Group, not only through organic growth but also through acquisitions, such as the purchase of shares in entities that meet the definition of the Group's development strategy or assets of such entities in a broad sense.

These measures should consequently lead to a significant increase in the Company's market value.

Pursuit of the objective is a long-term process that requires above-average commitment of staff with interdisciplinary knowledge and experience, participating actively since the beginning of the process (starting with market research, organization of the acquisition of shares or assets, etc.) to its final, that is, to achieve the intended results from the restructuring of acquired entities.

These activities for their greater effectiveness should be enhanced with the incentive program, implementation of which is the object and purpose of the draft resolution of the Annual General Meeting, addressed to managers of the Company, as well as key managers in subsidiaries, including those covered by the acquisition.

The criteria for the incentive program are directly related to acquisition targets (revenue growth and an increase in Ebitda), and market parameters (increase in share price). The Program assumes strong motivation of managers from the first period of the program. At the same time, in the opinion of the Management Board it is immensely important to work in the Group throughout the duration of the Program, and beyond its term. Therefore, the program assumes the feasibility of acquired rights to the warrants only after completing the entire 4 - year period.