

Current Report No. 44/2012

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Legal basis: Article 56 par. 1 pt. 2 of the Public Offering Act - current and periodical information

Subject: Proposed amendments of the Statute of NFI Midas S.A.

Acting pursuant to Article 38 par. 1 point 2 of the Regulation of the Minister of Finance on current and periodical information [...] of 19 February 2009 and in reference to Current Reports Nos. 42/2011 and 43/2011 of 5 October 2012, the Management Board of NFI MIDAS S.A. (the “Company”) hereby announces a statement of the amendments to the Company’s Statute, which are planned to be made at the Ordinary General Meeting of Shareholders of the Company on 31 October 2012.

In connection with the Act of 30 March 2012 Repealing the Act on National Investment Funds and Their Privatisation and Amending Certain Acts (Journal of Laws of 2012, item 596), which will enter into force on 1 January 2013 and which requires companies established pursuant to the Act on National Investment Funds and Their Privatisation (Journal of Laws No. 44, item 202, as amended) to amend their business names so that the new business name does not contain the phrase “Narodowy Fundusz Inwestycyjny” [National Investment Fund] or the abbreviation “NFI” [NIF], the proposed amendments to the Statute involve:

I. Replacing the term “Fundusz” [“Fund”] in all of the Statute’s Articles in which this term appears in any grammatical case with the term “Spółka” [“Company”], also in any grammatical case.

II. Replacing the title of the Company’s Statute, “The STATUTE of Narodowy Fundusz Inwestycyjny Midas Spółka Akcyjna” with the following new title: “The Statute of Midas Spółka Akcyjna”.

III. Replacing in Article 1 of the Statute the business name “Narodowy Fundusz Inwestycyjny MIDAS Spółka Akcyjna” and the short business name “NFI MIDAS S.A.”, with the new business name “Midas Spółka Akcyjna” and the new short business name “Midas S.A.”.

IV. Replacing, in Article 4 of the Statute, the following current wording: “The Company operates on the basis of the Act on National Investment Funds and Their Privatisation of 30 April 1993 (Journal of Laws No. 44, item 202, as amended) and the Commercial Companies Code of 15 September 2000 (Journal of Laws No. 94, item 1037).” with the following new wording: “The Company operates on the basis of the Commercial Companies Code of 15 September 2000 (Journal of Laws No. 94, item 1037) and other legislation.”.

V. Replacing, in Article 23 of the Statute, the phrase “by the end of the 10th (tenth) month” with the phrase “by the end of the 6th (sixth) month”.

Due to the considerable scope of the proposed amendments to the Statute, the Management Board has proposed, in the draft resolutions for the OGM of NFI Midas S.A., to repeal entirely the current provisions of the Statute of the Company and to adopt a new Statute of the Company, worded as follows:

**“THE STATUTE
of Midas Spółka Akcyjna**

I. GENERAL PROVISIONS

Article 1

The Company operates under the business name Midas Spółka Akcyjna. -----
The Company may use the short business name MIDAS S.A. and its foreign language
equivalents. -----

Article 2

The registered office of the Company is in the city of Warsaw. -----

Article 3

The Company was established by the State Treasury. -----

Article 4

The Company operates on the basis of the Commercial Companies Code of 15 September
2000 (Journal of Laws No. 94, item 1037) and other legislation. -----

Article 5

- 5.1 The Company operates within the territory of the Republic of Poland and beyond its
borders. -----
5.2 The Company may establish and operate branches within the territory of the Republic of
Poland and beyond its borders. -----

Article 6

The Company is established in perpetuity. -----

II. THE COMPANY’S CORE BUSINESS

Article 7

- The Company’s business activity includes: -----
1) Financial holdings’ activities (64.20.Z), -----
2) Other forms of lending (64.92.Z), -----
3) Other financial services activities n.e.c., except for insurance
and pension funds (64.99.Z), -----
4) Other activities auxiliary to financial services, except for insurance and pension funds
(66.19.Z) -----
5) Purchase and sale of real estate on its own account (68.10.Z). -----

III. THE COMPANY’S SHARE CAPITAL

Article 8

- 8.1 The share capital of the Company amounts to PLN 147,966,675.00 (one hundred forty-
seven million nine hundred sixty-six thousand six hundred seventy-five zlotys) divided
into 1,479,666,750 (one billion four hundred seventy-nine million six hundred sixty-six
thousand seven hundred fifty) ordinary bearer shares with a nominal value of PLN 0.10
(ten groszy) each, including:

- (a) 11,837,334 (eleven million eight hundred thirty-seven thousand three hundred thirty-four)
A series shares numbered from 00,000,001 to 11,837,334,
 - (b) 47,349,336 (forty seven million three hundred forty-nine thousand three hundred thirty-six) B series shares numbered from 00,000,001 to 47,349,336,
 - (c) 236,746,680 (two hundred thirty-six million seven hundred forty-six thousand six hundred eighty) ordinary bearer C series shares numbered from 00,000,001 (one) to 236,746,680,
 - (d) 1,183,733,400 (one billion one hundred eighty-three million seven hundred thirty-three thousand four hundred) ordinary bearer D series shares numbered from 1 (one) to 1,183,733,400 (one billion one hundred eighty-three million seven hundred thirty-three thousand four hundred).
- 8.2 The share capital may be covered by both cash and in-kind contributions. -----
- 8.3 The shares of the Company may be redeemed with the consent of a shareholder by way of being purchased by the Company (voluntary redemption). -----
- 8.4 The Company may acquire its own shares in the cases specified in Article 362 par. 1 CCC, including in particular in order to redeem and resell them. -----
- 8.5 A redemption of shares in the Company requires a resolution of the General Meeting of Shareholders, subject to the provisions of Article 363 par. 5 CCC. The resolution of the General Meeting of Shareholders sets out in particular: the legal basis for the redemption, the amount of remuneration due to a shareholder of the redeemed shares or a justification of the redemption without remuneration, and the manner of reducing the share capital. ---

Article 9

All shares in the Company are ordinary bearer shares. Shares cannot be converted from bearer shares to registered shares. -----

Article 10

The Company may issue subscription warrants as referred to in Article 453 par. 2 CCC, and bonds, including in particular convertible bonds and senior bonds. -----

IV. GOVERNING BODIES OF THE COMPANY

Article 11

The governing bodies of the Company are:-----

- A. The Management Board.-----
- B. The Supervisory Board. -----
- C. The General Meeting of Shareholders.-----

A. THE MANAGEMENT BOARD

Article 12

- 12.1 The Management Board is composed of from one to three members, including the President of the Management Board, appointed for a joint two-year term of office. -----
- 12.2 The Supervisory Board determines the number of Management Board members within the above limits and appoints the President and other members of the Management Board. -----
- 12.3 The Supervisory Board or the General Meeting of Shareholders may recall the entire Management Board or individual members, including the President of the Management Board, before the expiry of their term of office. -----

Article 13

13.1 The Management Board exercises any of its powers within the scope of managing the Company, except for powers reserved by law and this Statute for other bodies of the Company. -----

13.2 The Management Board's procedure of acting, as well as matters which may be entrusted to a single member, may be set out in detail in the By-laws of the Management Board adopted by the Management Board. -----

Article 14

Subject to the following sentence, in order to make declarations of will and sign on behalf of the Company, two members of the Management Board acting jointly or one member of the Management Board acting jointly with a registered holder of a commercial power of attorney are required. In the case of a single-member Management Board, the sole member may act individually in making declarations of will and signing on behalf of the Company. -----

Article 15

15.1 In agreements between the Company and members of the Management Board, and in disputes with them, the Company is represented by the Supervisory Board. By way of a resolution, the Supervisory Board may authorise one or more members of the Supervisory Board to perform such legal duties. -----

15.2 Employees of the Company are accountable to the Management Board, which concludes and terminates their employment agreements and determines their remuneration on the terms set out by the Supervisory Board and the applicable laws. -----

15.3 The total amount of remuneration of all members of the Management Board should be disclosed in the annual report, and broken down into individual remuneration components. If the amounts of remuneration differ from each other significantly, a relevant explanation should be published. -----

B. THE SUPERVISORY BOARD

Article 16

16.1. The Supervisory Board consists of 5 to 7 members. Members of the Supervisory Board are appointed for a joint three-year term of office. The mandate of a member of the Supervisory Board appointed or co-opted before the lapse of a given term of office of the Supervisory Board expires upon the lapse of that term of office. -----

16.2. Members of the Supervisory Board are appointed and recalled by the General Meeting of Shareholders. -----

16.3. In the place of a member who leaves the Supervisory Board or dies before their mandate expires, the Supervisory Board may co-opt a new member of the Supervisory Board. ---

Article 17

17.1 The Supervisory Board appoints from among its members a Chairman and Deputy Chairman of the Supervisory Board. -----

17.2 The Chairman of the Supervisory Board convenes and conducts meetings of the Supervisory Board. A Supervisory Board Chairman whose term of office has elapsed convenes and opens the first meeting of the newly appointed Supervisory Board, and chairs the meeting until the new Chairman is appointed. -----

Article 18

18.1 The Supervisory Board meets at least once per quarter. -----

- 18.2 The Chairman of the Supervisory Board or a person appointed by him from among the Supervisory Board members are obliged to convene a meeting of the Supervisory Board upon a written motion by a member of the Supervisory Board. The meeting should be convened within one week from the date the motion is submitted and scheduled for a date no later than 2 (two) weeks following the date on which it is convened.-----

Article 19

- 19.1 Subject to the provisions of Articles 19.2 and 19.3, the Supervisory Board adopts resolutions by an absolute majority of votes cast if at least half of its members are present at the meeting and all members were invited to the meeting, where an invitation is deemed valid if it contains the date and time of the meeting, the venue and the proposed agenda, and is sent to Supervisory Board members by registered letter or courier, or by fax to the number provided or e-mail to the address provided if a given member consents in writing to such delivery, at least 7 days before the scheduled date of the meeting. For important reasons, the 7-day time limit may be shortened to 3 days. The Supervisory Board may also adopt binding resolutions if, despite not having been notified, certain members are present at the Board meeting and consent to participate in the meeting.-----
- 19.2 Members of the Supervisory Board may participate in adopting resolutions of the Board by giving their votes in writing through the agency of another Supervisory Board member. Votes cast in writing cannot concern matters placed on the agenda at the Supervisory Board meeting. -----
- 19.3 The Supervisory Board may adopt resolutions under a written procedure (by circulation of papers) or using remote means of direct communication. In particular, members of the Supervisory Board may vote on resolutions by sending fax or e-mail communications. Resolutions adopted in the manner described in Article 19.3 above are valid if all Supervisory Board members were informed of the content of the resolution in the manner indicated in Article 19.1 above. -----
- 19.4 The resolutions adopted in line with the procedure specified in Articles 19.2 and 19.3 cannot concern the appointment of the Chairman or Deputy Chairman of the Supervisory Board, the appointment of a member of the Management Board, or the recall or suspension of such persons from their duties. -----
- 19.5 The Supervisory Board may adopt its own by-laws setting out detailed procedures for its activities. -----

Article 20

- 20.1 The Supervisory Board performs its duties collectively, but it may delegate members to perform specific supervisory duties individually. -----
- 20.2 The Company has an audit committee unless the General Meeting of Shareholders entrusts its duties to the Supervisory Board composed of 5 members. The Supervisory Board may appoint other committees, including a nomination committee and a remuneration committee. -----

Article 21

- 21.1 The Supervisory Board conducts ongoing supervision over the activities of the Company. The Supervisory Board does not have the right to issue binding instructions to the Management Board concerning the management of the business of the Company.
- 21.2 Other than the matters specified in the law, in other provisions of this Statute or in resolutions of the General Meeting of Shareholders, the following rights and obligations belong to the Supervisory Board: -----

- a) evaluating the financial statements for the previous financial year; -----
- b) evaluating the report of the Management Board on the operations of the Company; --
- c) submitting a written report on the results of the activities specified in pt. (a) and (b) to the General Meeting of Shareholders; -----
- d) evaluating motions of the Management Board concerning the distribution of profit or coverage of loss; -----
- e) concluding agreements with members of the Management Board and determining the rules of their remuneration, as well as appointing, suspending or recalling individual Management Board members or the entire Management Board; -----
- f) delegating members of the Supervisory Board to perform the duties of the Management Board if the entire Management Board has been recalled or if the Management Board is incapable of acting for other reasons; -----
- g) granting consent to the Company to purchase or sell real estate, rights of perpetual usufruct or ownership interests in real estate;-----
- h) granting consent to the Company to conclude a material agreement with an affiliated entity (the above obligation does not apply to routine transactions concluded on market terms in the ordinary course of business conducted by the Company with a subsidiary in which the Company holds a majority shareholding) or a parent company; an affiliated entity is defined as in the Regulation of the Minister of Finance issued on the basis of Article 60 par. 2 of the Act on the Public Offering and the Conditions for Admitting Financial Instruments to Organised Trading and on Public Companies of 29 July 2005 (Journal of Laws No. 184, item 1539, as amended); further, it is accepted that granting loans or other types of debt financing towards the above entities falls within the limits of the ordinary business of the Company; -----
- i) granting consent to the Company to draw down liabilities where the value of a single transaction or of the total number of transactions concluded in a given financial year with a single entity exceeds 20 per cent of the Company's net assets, determined on the basis of the most recent non-consolidated financial statements published in an interim report; -----
- j) submitting a concise evaluation of the situation of the Company to the Ordinary General Meeting of Shareholders, including an evaluation of the internal control system and risk management system of the Company; -----
- k) appointing a certified auditor to audit the financial statements of the Company.-----

Article 22

- 22.1 Determining the remuneration of members of the Supervisory Board falls within the sole remit of the General Meeting of Shareholders.-----
- 22.2 The remuneration of members of the Supervisory Board, where its amount is determined by the General Meeting of Shareholders, should be fair, but should not constitute a significant amount of the operating costs of the Company or seriously affect its financial result. Remuneration should be in reasonable proportion to the remuneration of Management Board members. -----

C. THE GENERAL MEETING OF SHAREHOLDERS

Article 23

- 23.1 The Ordinary General Meeting of Shareholders is convened by the Management Board, no later than by the end of the 6th (sixth) month after the end of each financial year. ----

- 23.2. The Extraordinary General Meeting of Shareholders is convened by the Management Board at its own initiative, upon a motion by the Supervisory Board, or upon a motion by a shareholder or shareholders representing at least 1/20 (one twentieth) of the share capital of the Company, promptly after the submission of such a motion. A motion to convene the General Meeting of Shareholders should specify the matters to be raised in the meeting or contain a draft resolution on the proposed agenda for the meeting. -----
- 23.3. The Extraordinary General Meeting of Shareholders may be convened by shareholders representing at least half of the share capital or at least half of the total number of votes in the Company. -----
- 23.4 The Supervisory Board may convene the Extraordinary General Meeting of Shareholders if it deems this necessary. The Supervisory Board may convene the Ordinary General Meeting of Shareholders if the Management Board does not do so within two weeks following the submission of a relevant request by the Supervisory Board. -----

Article 24

- 24.1 The Supervisory Board, or a shareholder or shareholders representing at least 1/20 (one twentieth) of the share capital, may request that specific matters be placed on the agenda for the closest General Meeting of Shareholders. -----
- 24.2 A request as referred to in Article 24.1 submitted after the General Meeting of Shareholders is convened will be treated as a motion to convene the Extraordinary General Meeting of Shareholders. -----

Article 25

- 25.1 The General Meetings of Shareholders are held in Warsaw. -----
- 25.2. The Company may allow participation in the General Meeting of Shareholders using electronic means of communication on the terms set out in the By-laws of the General Meeting of Shareholders.

Article 26

The General Meeting of Shareholders may adopt resolutions regardless of the number of shareholders present or shares represented. -----

Article 27

- 27.1 Resolutions of the General Meeting of Shareholders are adopted by a relative majority of votes, i.e. when the number of votes in favour of a resolution is greater than the number of votes against the resolution, where invalid votes and abstentions are not counted, unless provided otherwise by this Statute or the law. That majority is required in particular in the following matters: -----
- a) evaluating and approving the report of the Management Board on the operations of the Company and the financial statements for the previous financial year; -----
 - b) adopting resolutions on the distribution of profit or coverage of loss; -----
 - c) granting members of the governing bodies of the Company a discharge from liability in the performance of their duties. -----
- 27.2 In the matters as listed below, resolutions of the General Meeting of Shareholders are adopted by a 3/4 (three fourths) majority of votes: -----
- a) amending the Statute of the Company, including issues of new shares; -----
 - b) disposing of the enterprise of the Company; -----
 - c) merging the Company with another company; -----
 - d) winding up the Company. -----

- 27.3 Resolutions on amending the Statute of the Company, increasing shareholder benefits or restricting rights accorded personally to individual shareholders require the consent of all shareholders concerned. -----
- 27.4 Purchases and sales by the Company of real estate, rights of perpetual usufruct or ownership interests in real estate do not require a resolution of the General Meeting of Shareholders. -----
- 27.5 The General Meeting of Shareholders has sole competence over granting discharge from liability in the performance of their duties to members of the governing bodies of the Company and over decisions regarding persons who have been or are members of the Supervisory Board or Management Board, over refunding expenses or covering compensation which such persons may be obliged to pay to a third party as a result of liabilities arising in connection with those persons performing their duties, if those persons were acting in good faith and in a manner that, in those persons' belief justified by the circumstances, was in the best interest of the Company. -----

Article 28

Voting at the General Meeting of Shareholders takes place in an open ballot. A secret ballot is held when electing, and on motions to recall, members of the governing bodies or liquidators of the Company, or holding such persons liable, as well as on personal matters. A secret ballot is held at the request of at least one shareholder present or represented at the General Meeting of Shareholders. -----

Article 29

- 29.1 The General Meeting of Shareholders is opened by the Chairman of the Supervisory Board or the Deputy Chairman of the Supervisory Board, and then, from among those persons entitled to participate in the General Meeting of Shareholders, a Chairman is appointed. In the case of the absence of those persons, the General Meeting of Shareholders is opened by the President of the Management Board or a person appointed by the Management Board. -----
- 29.2. The General Meeting of Shareholders adopts its own by-laws. -----

V. RUNNING OF THE COMPANY

Article 30

The financial year of the Company is the calendar year. -----

Article 31

Within 8 (eight) months from the end of a financial year, the Management Board is obliged to prepare and submit to the Supervisory Board a balance sheet as at the last day of the year, as well as an income statement and a precise written report on the operations of the Company during that period. -----

Article 32

The date on which dividend rights are acquired and the dividend payment date are determined by the General Meeting of Shareholders. The payment date should be no later than 8 (eight) weeks following the day on which a resolution on distributing profits is adopted. “