



Minutes of the Annual General Meeting

PEGAS NONWOVENS S.A.

Société Anonyme

Registered office: 68-70, boulevard de la Pétrusse, L-2320 Luxembourg

R.C.S. Luxembourg B 112.044

Annual general meeting of the shareholders of PEGAS NONWOVENS S.A.

held at the Hôtel Le Royal, 12 Boulevard Royal, L-2449 Luxembourg,

Grand-Duchy of Luxembourg,

on 17 June 2013 at 11.00 a.m. Central European Time

In the year two thousand and thirteen, on the seventeenth day of June at 11.00 a.m. Central European Time, is held the annual general meeting of the shareholders (the "AGM" or the "Meeting") of PEGAS NONWOVENS S.A., a Luxembourg public limited liability company (*société anonyme*), having its registered office at 68-70, boulevard de la Pétrusse, L-2320 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 112.044 ("PEGAS").

The Meeting is opened by the Chairman of the Board of Directors, Mr. Marek Modecki who proposes to the Meeting that Aldo Schuurman, lawyer of Van Campen Liem Luxembourg, professionally residing in the Grand Duchy of Luxembourg, be appointed as chairman of the Meeting (the "Chairman"). The Meeting elects Aldo Schuurman as Chairman.

Upon the powers granted by the Meeting to the Chairman, the Chairman appoints Ilona van den Bergh, lawyer of Van Campen Liem, as secretary (the "Secretary") and Assia Tsjapanova, lawyer of Van Campen Liem, as scrutineer (the "Scrutineer" and together with the Chairman, the Secretary constituting the scrutiny committee, the "Bureau").

The shareholders present, represented or voting by correspondence and the number of shares they hold are indicated on an attendance list, which will remain attached to the present minutes after having been signed by shareholders attending the Meeting or their representatives and the members of the Bureau.

The proxies from the shareholders represented at the present Meeting and the correspondence voting forms from the shareholders will also remain attached to the present minutes.

The Bureau having thus been constituted, the Chairman declares and the Meeting records that:

- I. The shareholders of PEGAS were duly convened to the Meeting by two separate convening notices containing the agenda of the Meeting, each published twice in the *Mémorial, Recueil des Sociétés et Associations* C - N° 1152 of 16 May 2013 and N° 1218 of 24 May 2013 and in the newspaper *Tageblatt* of 16 May 2013 and of 24 May 2013, respectively. Copies of these respective publications have been deposited with the Bureau of the Meeting.
- II. In addition, the convening notice was sent to the registered shareholders, the members of the Board of Directors and the auditor of PEGAS on or before 16 May 2013 and was published through (i) the ESPI system, which is the electronic reporting system in Poland, on 16 May 2013, (ii) the reporting system of the Prague Stock Exchange on 16 May 2013, (iii) the Officially Appointed Mechanism of the Luxembourg Stock Exchange on 16 May 2013, and (iv) in media as may be reasonably relied on for the effective dissemination of information to the public throughout the European Economic Area on 16 May 2013. The notification of the record date, as well as of the place and date of the Meeting has been published (i) in Czech newspapers *Lidové noviny* on 17 May 2013, and (ii) in Polish newspapers *Parkiet* on 17 May 2013. The convening notice was posted on PEGAS' website as of 16 May 2013 together with the other documents related to the AGM as required by law.

- III. In respect of the agenda below of the Meeting, no specific quorum is required for the valid deliberation or acknowledgement of the Meeting and the resolutions are taken by a simple majority of the shares represented and voting at the Meeting.
- IV. The agenda of the Meeting is the following:
1. Election of the Bureau of the Meeting.
 2. Presentation and discussion of the report of the auditors regarding the annual accounts and the consolidated accounts for the financial year ended 31 December 2012 and of the report of the Board of Directors of PEGAS on the annual accounts and the consolidated accounts for the financial year ended 31 December 2012.
 3. Approval of the annual accounts and the consolidated accounts for the financial year ended 31 December 2012.
 4. Allocation of the net results of the financial year ended 31 December 2012 and distribution of a dividend in the amount of EUR 9,690,870, i.e. EUR 1.05 per share.
 5. Discharge of the liability of the members of the Board of Directors and the auditors of PEGAS for, and in connection with, the financial year ended 31 December 2012.
 6. Appointment of the members of the Board of Directors of PEGAS.
 7. Appointment of a Luxembourg independent auditor (*réviseur d'entreprises*) to review the annual accounts and the consolidated accounts for the financial year ending 31 December 2013.
 8. Approval of a remuneration policy for non-executive directors for the financial year 2013.
 9. Approval of a remuneration policy for executive directors for the financial year 2013.
 10. Miscellaneous.
- V. It appears from the attendance list that out of the 9,229,400 ordinary shares of PEGAS having a nominal value of EUR 1.24 each, 2,987,078 ordinary shares, representing 32.36% (rounded) of the subscribed share capital of PEGAS (amounting to EUR 11,444,456) are present or duly represented or have duly voted by correspondence at the Meeting, which is thus regularly constituted and can validly deliberate on all the items on the agenda.¹

This having been exposed and recognised accurate by the Meeting, the Secretary reads on request of the Chairman the reports of the Board of Directors and of the independent auditor (*réviseur d'entreprises*) on the annual (stand-alone) accounts and consolidated accounts of PEGAS for the financial year ended 31 December 2012 and submits to the Meeting for examination and approval PEGAS' balance sheet, profit and loss account and notes to the accounts, consolidated statement of financial position, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of changes in equity and the notes to the consolidated accounts for the financial year ended 31 December 2012, and the proposal for the allocation of the net results as per 31 December 2012.

After deliberation, the Meeting passes the following resolutions:

¹ One correspondence voting form was not completed in full and therefore rejected, resulting in 37,808 spoilt votes, which votes are disregarded both for calculating quorum and the number of votes cast. For the avoidance of doubt, abstained votes are taken into account for quorum purposes but are disregarded when counting the number votes cast, all in accordance with Luxembourg law.

1. AGENDA ITEM (1): ELECTION OF THE BUREAU OF THE MEETING

RESOLUTION

The Meeting has elected the Chairman as above mentioned. The Meeting has authorised the Chairman, in the name and on behalf of the Meeting, to appoint the Scrutineer and Secretary amongst the persons present at the Meeting.

For this resolution, a total of 2,980,402 votes for a total of 2,980,402 shares have been validly expressed either in person, or by way of proxy or by way of correspondence voting form, representing 32.29% (rounded) of the subscribed share capital of PEGAS.

This resolution has been adopted by 2,980,402 shares. In accordance with Luxembourg law, a number of 6,676 votes were disregarded and not considered as cast because of an abstention. No shares were voted against.

JUSTIFICATION GIVEN BY THE BOARD

Pursuant to PEGAS' Articles of Association, the Bureau of the AGM must be composed of the Chairman, Secretary and Scrutineer. Aldo Schuurman, attorney at law (*avocat*), partner of Van Campen Liem Luxembourg, is a Luxembourg lawyer, who assisted PEGAS' Board of Directors in convening this AGM and is familiar with PEGAS' constitutional documents. He has reviewed the documents sent by PEGAS' shareholders for the purpose of this AGM and is in the best position to perform the duties assigned to the Chairman and to designate the other members of the Bureau amongst the persons present at the AGM. Therefore, PEGAS' Board of Directors proposes that the Bureau is composed of Aldo Schuurman as Chairman, and that the Chairman appoints the Scrutineer and the Secretary.

2. AGENDA ITEM (2): PRESENTATION AND DISCUSSION OF THE REPORT OF THE AUDITORS REGARDING THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND OF THE REPORT OF THE BOARD OF DIRECTORS OF PEGAS ON THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012.

RESOLUTION

The Meeting resolves to acknowledge the reports of the auditor and of the Board of Directors regarding the annual accounts and the consolidated accounts as of and for the financial year ended 31 December 2012.

For this resolution, a total of 2,980,402 votes for a total of 2,980,402 shares have been validly expressed either in person, or by way of proxy or by way of correspondence voting form, representing 32.29% (rounded) of the subscribed share capital of PEGAS.

This resolution has been adopted by 2,980,402 shares. In accordance with Luxembourg law, a number of 6,676 votes were disregarded and not considered as cast because of an abstention. No shares were voted against.

JUSTIFICATION GIVEN BY THE BOARD

PEGAS' Board of Directors proposes the AGM to acknowledge the reports of the auditor and PEGAS' Board of Directors regarding the annual accounts and the consolidated accounts as of and for the financial year ended 31 December 2012, as required under Luxembourg law. These reports have been at the disposal of the shareholders at PEGAS' registered office and published on PEGAS' website as from the date of publication of the convening notice of the AGM until the date of the AGM. In addition, these reports have been made available to the shareholders at the AGM.

3. AGENDA ITEM (3): APPROVAL OF THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012.

RESOLUTION

The Meeting resolves to approve (i) the annual accounts for the financial year ended 31 December 2012 and (ii) the consolidated accounts for the financial year ended 31 December 2012.

For this resolution, a total of 2,980,402 votes for a total of 2,980,402 shares have been validly expressed either in person, or by way of proxy or by way of correspondence voting form, representing 32.29% (rounded) of the subscribed share capital of PEGAS.

This resolution has been adopted by 2,980,402 shares. In accordance with Luxembourg law, a number of 6,676 votes were disregarded and not considered as cast because of an abstention. No shares were voted against.

JUSTIFICATION GIVEN BY THE BOARD

Under Luxembourg law, PEGAS' General Meeting of shareholders must approve its annual accounts within six months following the end of the relevant financial year. The annual accounts have been prepared by PEGAS' Board of Directors with the assistance of Signes S.à r.l. PEGAS' Board of Directors' report provides for an explanation of the annual accounts, the consolidated accounts and PEGAS' activities as of and for the financial year ended 31 December 2012. PEGAS' auditor reviewed these accounts and the auditor's reports have concluded that (i) the annual accounts give a true and fair view of the financial position of PEGAS as of 31 December 2012, and of the results of its operations for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and (ii) the consolidated accounts give a true and fair view of the financial position of PEGAS as of 31 December 2012, and of its financial performance and its cashflows for the year ended in accordance with International Financial Reporting Standards as adopted by the European Union. PEGAS' Board of Directors therefore proposes that the AGM votes in favour of the suggested resolution.

4. AGENDA ITEM (4): ALLOCATION OF THE NET RESULTS OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 AND DISTRIBUTION OF A DIVIDEND IN THE AMOUNT OF EUR 9,690,870, I.E. EUR 1.05 PER SHARE.

RESOLUTION

The Chairman of the Meeting notes, according to the annual accounts, that PEGAS has made a profit in the amount of EUR 9,128,849.69 in respect of the financial year ended 31 December 2012.

The Meeting resolves to allocate (i) the amount of EUR 45,336.05, to the legal reserve (reaching the minimum compulsory amount of one-tenth of the issued share capital) and (ii) the remaining profit, i.e. the amount of EUR 9,083,513.64, to the dividend account. The Meeting resolves to make a dividend payment in the amount of EUR 9,690,870, i.e. EUR 1.05 per share (the "**Dividend**"). The remaining part of the Dividend in the amount of EUR 607,356.36 will be paid out of the retained earnings of previous years.

The Meeting resolves that:

- (i) the record date (i.e. the date by the end of which the shares entitled to dividend are registered on securities accounts held in the settlement systems of the Czech Central Securities Depository (*Centrální depozitář cenných papírů, a.s.*), the Polish National Depository for Securities (*Krajowy Depozyt Papierów Wartościowych Spółka Akcyjna*) or other relevant settlement systems, financial intermediaries or other entities operating the securities accounts shall be 18 October 2013;
- (ii) the payment date of the Dividend shall be 29 October 2013;
- (iii) eligible shareholders shall receive the payment of Dividend in Euro (EUR).

The Meeting furthermore resolves to empower the Board of Directors to effect the payment of the Dividend within the limits of this resolution and to take any actions necessary in relation thereto.

For this resolution, a total of 2,980,402 votes for a total of 2,980,402 shares have been validly expressed either in person, or by way of proxy or by way of correspondence voting form, representing 32.29% (rounded) of the subscribed share capital of PEGAS.

This resolution has been adopted by 2,980,402 shares. In accordance with Luxembourg law, a number of 6,676 votes were disregarded and not considered as cast because of an abstention. No shares were voted against.

JUSTIFICATION GIVEN BY THE BOARD

PEGAS' Board of Directors proposes that PEGAS allocates the amount of EUR 45,336.05, to the legal reserve (reaching the minimum compulsory amount of one-tenth of the issued share capital) and the remaining profit, i.e. the amount of EUR 9,083,513.64, to the dividend account. The Board of Directors proposes to make the Dividend payment in the amount of EUR 9,690,870; i.e. EUR 1.05 per share. The remaining part of the Dividend in the amount of EUR 607,356.36 will be paid out of the retained earnings of previous years. PEGAS' Board of Directors proposes that the record date for the Dividend is 18 October 2013 and estimates that the Dividend is paid on 29 October 2013. PEGAS' Board of Directors believes that such allocation not only complies with the requirements imposed by Luxembourg laws, but is also sound and rational. PEGAS' Board of Directors therefore proposes that the AGM votes in favour of the suggested resolution.

5. AGENDA ITEM (5): DISCHARGE OF THE LIABILITY OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE AUDITORS OF PEGAS FOR, AND IN CONNECTION WITH, THE FINANCIAL YEAR ENDED 31 DECEMBER 2012.

RESOLUTIONS

5.1 The Meeting resolves to grant discharge to the members of the Board of Directors for the performance of their duties during, and in connection with, the financial year ended 31 December 2012 (i.e. from 1 January 2012 until 31 December 2012).

For this resolution, a total of 2,980,402 votes for a total of 2,980,402 shares have been validly expressed either in person, or by way of proxy or by way of correspondence voting form, representing 32.29% (rounded) of the subscribed share capital of PEGAS.

This resolution has been adopted by 2,980,402 shares. In accordance with Luxembourg law, a number of 6,676 votes were disregarded and not considered as cast because of an abstention. No shares were voted against.

5.2 The Meeting further resolves to give discharge to Deloitte Audit, *société à responsabilité limitée* (formerly known as Deloitte S.A.), the independent auditor (*réviseur d'entreprises*) of PEGAS for the performance of its duties during, and in connection with, the financial year ended 31 December 2012 (i.e. from 1 January 2012 until 31 December 2012).

For this resolution, a total of 2,980,402 votes for a total of 2,980,402 shares have been validly expressed either in person, or by way of proxy or by way of correspondence voting form, representing 32.29% (rounded) of the subscribed share capital of PEGAS.

This resolution has been adopted by 2,980,402 shares. In accordance with Luxembourg law, a number of 6,676 votes were disregarded and not considered as cast because of an abstention. No shares were voted against.

JUSTIFICATION GIVEN BY THE BOARDS

PEGAS' Board of Directors was successful in meeting PEGAS' strategic focus set for 2012. Additionally, neither the annual accounts nor any of the reports thereon showed any issue concerning the management activities carried out by the members of the Board of Directors, nor with the review of PEGAS' accounts performed by the auditor. PEGAS' Board of Directors therefore proposes that the AGM votes in favour of the suggested resolutions.

6. AGENDA ITEM (6): APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS OF PEGAS.

RESOLUTIONS

6.1 The Meeting resolves to ratify the co-optation dated 1 December 2012 of Mr. František Řezáč, professionally residing at Přímětická 3623/86, Znojmo, postal code 669 04, Czech Republic, born on 19 April 1974 in Znojmo, Czech Republic as an executive director of PEGAS and to proceed with his final appointment. Mr. František Řezáč is appointed for a term ending on 30 November 2015.

For this resolution, a total of 2,980,402 votes for a total of 2,980,402 shares have been validly expressed either in person, or by way of proxy or by way of correspondence voting form, representing 32.29% (rounded) of the subscribed share capital of PEGAS.

This resolution has been adopted by 2,980,402 shares. In accordance with Luxembourg law, a number of 6,676 votes were disregarded and not considered as cast because of an abstention. No shares were voted against.

6.2 The Meeting resolves to ratify the co-optation dated 1 December 2012 of Mr. František Klaška, professionally residing at Přímětická 3623/86, Znojmo, postal code 669 04, Czech Republic, born on 3 April 1957 in Brno, Czech Republic as an executive director of PEGAS and to proceed with his final appointment. Mr. František Klaška is appointed for a term ending on 30 November 2015.

For this resolution, a total of 2,980,402 votes for a total of 2,980,402 shares have been validly expressed either in person, or by way of proxy or by way of correspondence voting form, representing 32.29% (rounded) of the subscribed share capital of PEGAS.

This resolution has been adopted by 2,980,402 shares. In accordance with Luxembourg law, a number of 6,676 votes were disregarded and not considered as cast because of an abstention. No shares were voted against.

6.3 The Meeting resolves to ratify the co-optation dated 1 March 2013 of Mr. Marian Rašík, professionally residing at Přímětická 3623/86, Znojmo, postal code 669 04, Czech Republic, born on 15 May 1971 in Karviná, Czech Republic as an executive director of PEGAS and to proceed with his final appointment. Mr. Marian Rašík is appointed for a term ending on 29 February 2016.

For this resolution, a total of 2,980,402 votes for a total of 2,980,402 shares have been validly expressed either in person, or by way of proxy or by way of correspondence voting form, representing 32.29% (rounded) of the subscribed share capital of PEGAS.

This resolution has been adopted by 2,980,402 shares. In accordance with Luxembourg law, a number of 6,676 votes were disregarded and not considered as cast because of an abstention. No shares were voted against.

JUSTIFICATION GIVEN BY THE BOARD

On 1 December 2012, the Board of Directors has re-elected and co-opted Messrs. František Řezáč and František Klaška as executive directors. It is proposed to the AGM to ratify the co-optation and resolve on the appointment for a term ending on 30 November 2015. On 1 March 2013, the Board of Directors has re-elected and co-opted Mr. Marian Rašík as an executive director. It is proposed to the AGM to ratify his co-optation and resolve on his appointment for a term ending on 29 February 2016.

7. AGENDA ITEM (7): APPOINTMENT OF A LUXEMBOURG INDEPENDENT AUDITOR (RÉVISEUR D'ENTREPRISES) TO REVIEW THE ANNUAL ACCOUNTS AND THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2013.

RESOLUTION

The Meeting resolves to appoint Deloitte Audit, *société à responsabilité limitée* (formerly known as Deloitte S.A.) as the independent auditor (*réviseur d'entreprises*) of PEGAS for a term ending at the annual general meeting of the shareholders to be held in 2014, to review the annual accounts and the consolidated accounts as at 31 December 2013.

For this resolution, a total of 2,980,402 votes for a total of 2,980,402 shares have been validly expressed either in person, or by way of proxy or by way of correspondence voting form, representing 32.29% (rounded) of the subscribed share capital of PEGAS.

This resolution has been adopted by 2,980,402 shares. In accordance with Luxembourg law, a number of 6,676 votes were disregarded and not considered as cast because of an abstention. No shares were voted against.

JUSTIFICATION GIVEN BY THE BOARD

Under Luxembourg law, PEGAS is obliged to appoint an independent auditor to review its annual accounts and consolidated accounts as of and for the year ending 31 December 2013. Deloitte Audit, *société à responsabilité limitée* (formerly known as Deloitte S.A.) has experience with reviewing PEGAS' accounts during the prior financial years and is familiar with PEGAS' accounting policies and practices. PEGAS' Board of Directors therefore proposes that the AGM votes in favour of the suggested resolution.

8. AGENDA ITEM (8): APPROVAL OF A REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR 2013.

RESOLUTION

In respect of the financial year ending on 31 December 2013, the Meeting resolves that the Non-Executive Directors should receive an aggregate amount of EUR 135,000 as directors' fee, payable in cash. The Meeting resolves to authorise and empower the Board of Directors to split this remuneration among the Non-Executive Directors.

For this resolution, a total of 2,980,402 votes for a total of 2,980,402 shares have been validly expressed either in person, or by way of proxy or by way of correspondence voting form, representing 32.29% (rounded) of the subscribed share capital of PEGAS.

This resolution has been adopted by 2,980,402 shares. In accordance with Luxembourg law, a number of 6,676 votes were disregarded and not considered as cast because of an abstention. No shares were voted against.

JUSTIFICATION GIVEN BY THE BOARD

The proposed remuneration policy for non-executive directors for the financial year 2013 is in line with approved remuneration policies in the previous years.

9. AGENDA ITEM (9): APPROVAL OF A REMUNERATION POLICY FOR EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR 2013.

RESOLUTION

In respect of the financial year ending on 31 December 2013, the Meeting resolves that the Executive Directors should receive an aggregate amount of CZK 5,213,604 as directors' fee, payable in cash.

The Meeting resolves to authorize and empower the Board of Directors to delegate to the Board's Remuneration Committee the splitting of this remuneration among the Executive Directors.

For this resolution, a total of 2,980,402 votes for a total of 2,980,402 shares have been validly expressed either in person, or by way of proxy or by way of correspondence voting form, representing 32.29% (rounded) of the subscribed share capital of PEGAS.

This resolution has been adopted by 2,980,402 shares. In accordance with Luxembourg law, a number of 6,676 votes were disregarded and not considered as cast because of an abstention. No shares were voted against.

JUSTIFICATION GIVEN BY THE BOARD

The proposed remuneration policy for executive directors for the financial year 2013 is in line with approved remuneration policies in the previous years.

10. AGENDA ITEM (10): MISCELLANEOUS.

No resolution is proposed or business discussed.

There being no further business on the agenda, the Meeting is closed at 11.11 a.m. Central European Time.

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These minutes having been read to the Meeting, the Bureau signs these minutes in original, no shareholder expressing the wish to sign.

Aldo Schuurman
Chairman

Ilona van den Bergh
Secretary

Assia Tsjapanova
Scrutineer