

Resolutions of the Annual General Meeting

PEGAS NONWOVENS SA

Société Anonyme

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

R.C.S. Luxembourg B 112.044

(“PEGAS”)

**Annual general meeting of the shareholders of PEGAS
held at the Hôtel Le Royal, 12 Boulevard Royal, L-2449 Luxembourg,
Grand-Duchy of Luxembourg,
on 15 June 2011 at 11.00 a.m. Central European Time**

In the year two thousand and eleven, on the fifteenth 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, a Luxembourg *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.

The Meeting is opened by the Chairman of the Board of Directors, Mr. Marek Modecki who proposes to the Meeting that Mr. Neil J. Everitt, a non-executive director of PEGAS, professionally residing at 68-70, boulevard de la Pétrusse, L-2320 Luxembourg, be appointed as chairman of the Meeting (the “**Chairman**”). The Meeting elects Mr. Neil J. Everitt as Chairman.

The Chairman appoints Mrs. Hida Ozveren, lawyer, professionally residing in the Grand Duchy of Luxembourg, 18-20 rue Edward Steichen, L-2540 Luxembourg, as secretary (the “**Secretary**”).

The Meeting elects Mr. Frédéric Franckx, lawyer, professionally residing in the Grand Duchy of Luxembourg, 18-20 rue Edward Steichen, L-2540 Luxembourg, as scrutineer (the “**Scrutineer**”) and together with the Chairman, the Secretary constituting 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 voting ballots 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° 1101 of 25 May 2011 and - N° 1186 of 3 June 2011 and in the Luxemburger Wort of 25 May 2011 and of 3 June 2011 respectively. Copies of these respective publications have been deposited with the Bureau of the Meeting.
- II. In addition, the convening notice was published through (i) the ESPI system, which is the electronic reporting system in Poland on 4 May 2011, (ii) the reporting system of the Prague Stock Exchange on 4 May 2011, (iii) the Officially Appointed Mechanism of the Luxembourg Stock Exchange on 4 May 2011, (iv) in Czech newspapers Lidové noviny on 25 May 2011, and (v) in Polish newspapers Parkiet on 25 May 2011. The convening notice was posted on PEGAS’s website as of 4 May 2011.

- 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 statutory accounts and the consolidated accounts for the financial year ended 31 December 2010 and of the reports of the Board of Directors of PEGAS on the statutory accounts and the consolidated accounts for the financial year ended 31 December 2010.
 3. Approval of the statutory accounts and the consolidated accounts for the financial year ended 31 December 2010.
 4. Allocation of the net results of the financial year ended 31 December 2010.
 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 2010.
 6. Appointment of a Luxembourg independent auditor (“*réviseur d’entreprises*”) to review the statutory accounts and the consolidated accounts as at 31 December 2011.
 7. Approval of a remuneration policy for non-executive directors for the financial year 2011.
 8. Approval of a remuneration policy for executive directors for the financial year 2011.
 9. Authorization to be granted to the Board of Directors for acquisition of own shares by PEGAS.
 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, 2,832,427 ordinary shares, representing 30.69% (rounded up) 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.

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 statutory (stand-alone) accounts and consolidated accounts of PEGAS for the financial year ended 31 December 2010 and submits to the Meeting for examination and approval PEGAS’s 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 2010, and the proposal for the allocation of the net results as per 31 December 2010.

After deliberation, the Meeting passes the following resolutions:



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

RESOLUTION

The Meeting has elected the Bureau of the Meeting as above mentioned.

This resolution has been adopted by 2,832,427 shares,

0 shares having abstained,

0 shares having voted against.

2. AGENDA ITEM (2): PRESENTATION AND DISCUSSION OF THE REPORT OF THE AUDITORS REGARDING THE STATUTORY ACCOUNTS AND THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 AND OF THE REPORTS OF THE BOARD OF DIRECTORS OF PEGAS ON THE STATUTORY ACCOUNTS AND THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010.

RESOLUTION

The Meeting resolves to acknowledge the reports of the auditor and of the Board of Directors regarding the statutory accounts and the consolidated accounts as of and for the financial year ended 31 December 2010.

This resolution has been adopted by 2,832,427 shares,

0 shares having abstained,

0 shares having voted against.

3. AGENDA ITEM (3): APPROVAL OF THE STATUTORY ACCOUNTS AND THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010.

RESOLUTION

The Meeting resolves to approve (i) the statutory accounts for the financial year ended 31 December 2010 and (ii) the consolidated accounts for the financial year ended 31 December 2010.

This resolution has been adopted by 2,832,427 shares,

0 shares having abstained,

0 shares having voted against.

4. AGENDA ITEM (4): ALLOCATION OF THE NET RESULTS OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2010.

RESOLUTION

The Chairman of the Meeting notes, according to the statutory accounts, that PEGAS has made a profit in the amount of EUR 6,716,525.54 in respect of the financial year ended 31 December 2010.

The Meeting resolves to allocate (i) 5% of the profits, i.e. the amount of EUR 335,826.28, to the legal reserve, (ii) the amount of EUR 899,554.69, to cover the losses of previous years, and (iii) the remaining amount, i.e. the amount of EUR 5,481,144.57 to profit carried forward.

This resolution has been adopted by 2,832,427 shares,

0 shares having abstained,

0 shares having voted against.

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 2010.

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 2010 (i.e. from 1 January 2010 until 31 December 2010).

This resolution has been adopted by 2,832,427 shares,

0 shares having abstained,

0 shares having voted against.

5.2 The Meeting further resolves to give discharge to 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 2010 (i.e. from 1 January 2010 until 31 December 2010).

This resolution has been adopted by 2,832,427 shares,

0 shares having abstained,

0 shares having voted against.

6. AGENDA ITEM (6): APPOINTMENT OF A LUXEMBOURG INDEPENDENT AUDITOR ("RÉVISEUR D'ENTREPRISES") TO REVIEW THE STATUTORY ACCOUNTS AND THE CONSOLIDATED ACCOUNTS AS AT 31 DECEMBER 2011.

RESOLUTION

The Meeting resolves to appoint 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 2012, to review

the statutory accounts and the consolidated accounts as at 31 December 2011.

This resolution has been adopted by 2,832,427 shares,

0 shares having abstained,

0 shares having voted against.

7. AGENDA ITEM (7): APPROVAL OF A REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR 2011.

RESOLUTION

In respect of the financial year ending on 31 December 2011, the Meeting resolves that Mr. Marek Modecki and Mr. Neil J. Everitt (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.

This resolution has been adopted by 2,632,427 shares,

200,000 shares having abstained,

0 shares having voted against.

8. AGENDA ITEM (8): APPROVAL OF A REMUNERATION POLICY FOR EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR 2011.

Based on the recommendations of the Board's Remuneration Committee, the Board proposes the following resolution:

RESOLUTION

In respect of the financial year ending on 31 December 2011, the Meeting resolves that Mr. František Řezáč, Mr. František Klaška and Mr. Marian Rašík (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 the splitting of this remuneration among the Executive Directors to the Board's Remuneration Committee.

This resolution has been adopted by 2,832,427 shares,

0 shares having abstained,

0 shares having voted against.

9. AGENDA ITEM (9): AUTHORISATION TO BE GRANTED TO THE BOARD OF DIRECTORS FOR ACQUISITION OF OWN SHARES BY PEGAS.

RESOLUTION

The Meeting resolves to authorize the Board of Directors to decide on the acquisition of own shares by PEGAS, within the limits set forth by the Luxembourg law of 10 August 1915 on commercial companies (the “**Law**”) pursuant to the following modalities:

- (i) a maximum of ten per cent (10%) of the total number of PEGAS’ shares, *i.e.* nine hundred twenty-two thousand nine hundred forty (922,940) shares may be acquired by PEGAS;
- (ii) the consideration paid by PEGAS for such acquisition shall, in any case, range between CZK 100 and CZK 1,000 (or the equivalent amounts in other currencies), included, per share; and
- (iii) this authorization shall be valid for a period of five (5) years starting from the date of the present Meeting.

The Meeting further grants full power to the Board of Directors to (a) perform such acquisition (in one or several tranches) of own shares by PEGAS, at any time when, and in any manner as, deemed appropriate by the Board of Directors, provided that the conditions laid down in the present resolution and the Law are respected when an authorized acquisition of PEGAS’ own shares takes place, (b) fix the amount of, or the price range of, the consideration within the limits determined by the Meeting in the present resolution in accordance with PEGAS’ corporate interest, and (c) undertake all such acts and matters deemed appropriate, by the Board of Directors, in order to proceed with the authorized acquisition of PEGAS’ own shares by PEGAS.

This resolution has been adopted by 2,025,929 shares,

0 shares having abstained,

806,498 shares having voted against.

10. AGENDA ITEM (10) : MISCELLANEOUS.

No resolution is proposed.

There being no further business on the agenda, the Meeting is closed at 11.16 am.

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

Neil J.Everitt
Chairman

Hida Ozveren
Secretary

Frédéric Franckx
Scrutineer