



PEGAS NONWOVENS SA

Société anonyme

Registered office:

68-70, boulevard de la Pétrusse

L-2320 Luxembourg

R.C.S. Luxembourg : B 112.044

("PEGAS")

**ATTENDANCE AND PROXY FORM FOR THE
ANNUAL GENERAL MEETING OF SHAREHOLDERS OF PEGAS
WHICH WILL BE HELD AT THE HÔTEL LE ROYAL,
12, BOULEVARD ROYAL, L-2449 LUXEMBOURG
ON TUESDAY 15 JUNE 2010 AT 11 A.M. (CET)
(the "AGM")**

The agenda of the AGM and the proposals of resolutions made by the Board of Directors on the agenda items (the Resolutions) of PEGAS are annexed to this attendance and proxy form, and this annex shall constitute part of the present attendance and proxy form.

Choose one of the 3 options and tick the corresponding box.

- 1. My shares are recorded in the share register of PEGAS**
- 2. I hold my shares through the clearing and settlement system maintained by Centrální depozitář cenných papírů, a.s. (formerly UNIVYC, a.s. ; hereinafter CDCP)**
- 3. I hold my shares through the clearing and settlement system maintained by the Polish National Depository for Securities (Krajowy Depozyt Papierów Wartościowych Spółka Akcyjna; hereinafter NDS)**

Choose one of the 3 options and tick the corresponding box.

1. I wish to attend the AGM in person.
2. I will not attend the AGM in person. I hereby appoint:¹

the chairman of the AGM

OR

_____²

as my proxy to act generally at the AGM in my name and on my behalf and to vote (a) on all the Resolutions and (b) any amendment to the Resolutions and any new resolutions that would be validly presented to AGM, as the proxy sees fit.

3. I will not attend the AGM. I hereby appoint:³

the chairman of the AGM

OR

_____⁴

as my proxy to act generally at the AGM in my name and on my behalf and to vote on all the Resolutions with the following voting instructions:⁵

Resolution	1.1	1.2	2	3	4	5.1	5.2	6	7	8
For										
Against										
Abstention										

Resolution	9	10	11	12	13	14
For						
Against						
Abstention						

If amendments or new resolutions were to be validly presented at the AGM, I:⁶

irrevocably give power to the above mentioned proxy to vote in my name and on my behalf and as he sees fit,

OR

abstain.

Any blank form will be considered as a proxy to the chairman of the AGM to act generally at the AGM in my name and on my behalf and to vote (a) on all the Resolutions and (b) any amendment to the Resolutions and any new resolutions that would be validly presented to the AGM, as the proxy sees fit. Any lack of choice that is clearly expressed on the

¹ Please tick the corresponding box.

² Please write here the full name of the individual with legal address and passport number or legal entity with registered office and registration number you are appointing as your proxy.

³ Please tick the corresponding box.

⁴ Please write here the full name of the individual with legal address and passport number or legal entity with registered office and registration number you are appointing as your proxy.

⁵ Please tick the corresponding box.

⁶ Please tick the corresponding box.

various voting instruction options provided above or any contradictory choice will be considered as a choice under option 2, with a proxy to the chairman of the AGM to act generally at the AGM in my name and on my behalf and to vote (a) on all the Resolutions and (b) any amendment to the Resolutions and any new resolutions that would be validly presented to the AGM, as the proxy sees fit.

This attendance and proxy form is governed by, and shall be construed in accordance with Luxembourg law. Luxembourg courts have exclusive jurisdiction to hear any dispute or controversy arising out of or in connection with this attendance and proxy form.

Date and signature

Surname and first name / Name of the company: _____

Address / Registered seat of the company: _____

The person who will physically attend the AGM (either in its capacity as shareholder or proxyholder) must bring a proof of their identity in the form of either a non-expired identity card or a passport to the AGM.

Additionally, this Attendance and Proxy Form and/or documents (original(s) or certified copy(ies)) attached thereto must identify the signatory(ies) of this Attendance and Proxy Form, and contain conclusive evidence that the signatory(ies) of this Attendance and Proxy Form is(are) duly authorized or empowered to sign this Attendance and Proxy Form.

For company use only: number of shares held:

**ANNEX
AGENDA
PROPOSALS OF RESOLUTIONS**

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

PROPOSAL OF RESOLUTION	
1.1	The AGM elects Mr. David Ring as chairman of the AGM.
1.2	The AGM elects Mr. Frédéric Franckx as scrutineer of the AGM.

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 2009 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 2009.

PROPOSAL OF 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 for the financial year ended 31 December 2009.	

3. AGENDA ITEM (3) : APPROVAL OF THE STATUTORY ACCOUNTS AND THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009.

PROPOSAL OF RESOLUTION	
The Meeting resolves to approve (i) the statutory accounts for the financial year ended 31 December 2009 and (ii) the consolidated accounts for the financial year ended 31 December 2009.	

4. AGENDA ITEM (4) : ALLOCATION OF THE NET RESULTS OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2009.

PROPOSAL OF RESOLUTION

The Chairman of the Meeting notes, according to the statutory accounts, that PEGAS has made a profit in an amount of EUR 6,981,014.61 in respect of the financial year ended 31 December 2009.

The Meeting resolves to (i) allocate 5% of the profits, i.e. an amount of EUR 349,050.73, to the legal reserve and (ii) allocate the remaining amount of the profits, i.e. an amount of EUR 6,631,963.88, to cover the losses of previous years.

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 2009.

PROPOSAL OF RESOLUTION

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 2009 (i.e. from 1 January 2009 until 31 December 2009).

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 2009 (i.e. from 1 January 2009 until 31 December 2009).

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 2010.

PROPOSAL OF 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 2011, to review the statutory accounts and the consolidated accounts as at 31 December 2010.

7. AGENDA ITEM (7) : RATIFICATION OF THE DECISION OF THE BOARD OF DIRECTORS TO CO-OPT MR. FRANTIŠEK ŘEZÁČ AS AN EXECUTIVE DIRECTOR OF PEGAS FOR A PERIOD ENDING ON 30 NOVEMBER 2012.

PROPOSAL OF RESOLUTION

The Meeting resolves to ratify the co-optation dated December 1, 2009 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 ultimate appointment.

Mr. Řezáč is appointed for a period ending on 30 November 2012.

8. AGENDA ITEM (8) : RATIFICATION OF THE DECISION OF THE BOARD OF DIRECTORS TO CO-OPT MR. FRANTIŠEK KLAŠKA AS AN EXECUTIVE DIRECTOR OF PEGAS FOR A PERIOD ENDING ON 30 NOVEMBER 2012.

PROPOSAL OF RESOLUTION

The Meeting resolves to ratify the co-optation dated December 1, 2009 of Mr. František Klačka, 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 ultimate appointment.

Mr. Klačka is appointed for a period ending on 30 November 2012.

9. AGENDA ITEM (9) : RATIFICATION OF THE DECISION OF THE BOARD OF DIRECTORS TO CO-OPT MR. MARIAN RAŠÍK AS AN EXECUTIVE DIRECTOR OF PEGAS FOR A PERIOD ENDING ON 28 FEBRUARY 2013.

PROPOSAL OF RESOLUTION

The Meeting resolves to ratify the co-optation dated February 26, 2010 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 ultimate appointment.

Mr. Rašík is appointed for a period ending on 28 February 2013.

- 10. AGENDA ITEM (10) : RATIFICATION OF THE DECISION OF THE BOARD OF DIRECTORS TO CO-OPT MR. NEIL J. EVERITT AS A NON-EXECUTIVE DIRECTOR OF PEGAS FOR A PERIOD ENDING ON 29 MARCH 2012.**

PROPOSAL OF RESOLUTION

The Meeting resolves to ratify the co-optation dated March 29, 2010 of Mr. Neil J. Everitt, professionally residing at 68–70, boulevard de la Pétrusse, Luxembourg, postal code L-2320, Grand-Duchy of Luxembourg, born on 27 February 1961 in Cambridge, United Kingdom as a non-executive director of PEGAS and to proceed with his ultimate appointment.

Mr. Everitt is appointed for a period ending on 29 March 2012.

- 11. AGENDA ITEM (11) : PROLONGATION OF APPOINTMENT OF MR. MAREK MODECKI AS A NON-EXECUTIVE DIRECTOR OF PEGAS FOR A PERIOD ENDING AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD IN 2012.**

PROPOSAL OF RESOLUTION

The Meeting resolves to appoint Mr. Marek Modecki, professionally residing at Centrum LIM, Aleje Jerozolimskie 65/79, Warsaw, postal code 00-697, Poland, born on 27 December 1958 in Warsaw, Poland as a non-executive director of PEGAS, prolonging thus his appointment as PEGAS' director.

Mr. Modecki is appointed for a period ending at the annual general meeting of shareholders to be held in 2012.

- 12. AGENDA ITEM (12) : APPROVAL OF A REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR 2010.**

PROPOSAL OF RESOLUTION

In respect of the financial year ending on 31 December 2010, the Meeting resolves that Mr. Bernhard Lipinski, Mr. David Ring, Mr. Marek Modecki and Mr. Neil J. Everitt (the Non-Executive Directors) should receive an aggregate amount of EUR 245,589 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.

13. AGENDA ITEM (13) : APPROVAL OF A REMUNERATION POLICY FOR EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR 2010.

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

PROPOSAL OF RESOLUTION

In respect of the financial year ending on 31 December 2010, the Meeting resolves that Mr. František Řezáč, Mr. František Klačka and Mr. Marian Rašík (the Executive Directors) should receive an aggregate amount of CZK 4,963,604 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.

14. AGENDA ITEM (14) : APPROVAL OF NEW PRINCIPLES OF SHARE PRICE BONUS PLAN FOR VARIOUS MEMBERS OF THE SENIOR MANAGEMENT AND THE MEMBERS OF THE BOARD OF DIRECTORS.

PROPOSAL OF RESOLUTION

The Meeting resolves to approve the grant of an aggregate amount of 230,735 phantom options (representing 2.5% of the PEGAS's share capital) to the directors and senior management of PEGAS and/or its affiliates, against no consideration. Each phantom option, when exercised, will grant the director the right to receive a phantom share, i.e. the right to receive in cash an amount equal to the difference between CZK 473.00 representing the PEGAS's share price on the Prague Stock Exchange (the "PSE") as of 15 December 2009 increased by 10%, and the closing price of one PEGAS's share on the day preceding the day of exercise of the phantom option on the PSE (or other market if the PSE trading is discontinued). 25% of phantom options (i.e. 57,684 options) will vest yearly, with the first options vesting on 18 December 2010 and the last options vesting on 18 December 2013, whereas the first options vesting on 18 December 2010 will fully replace the last options of current share price bonus plan, approved at the AGM in 2007, vesting at the same date.

The Meeting authorises and empowers the Board of Directors to allocate the above mentioned phantom options between the directors and senior management in accordance with criteria determined by, and at the discretion of, the Board of Directors.

15. AGENDA ITEM (15) : MISCELLANEOUS.

No resolution is proposed.