



Resolutions 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

(PEGAS)

**Annual general meeting of the shareholders of PEGAS
held in Luxembourg on 16 June 2008 at 11.00 a.m. Central European Time
at the Hôtel Le Royal, 12, Boulevard Royal in L-2449 Luxembourg, Grand-Duchy of Luxembourg**

In the year two thousand and eight, on the sixteenth 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 Miloš Bogdan who proposes to the Meeting that Mr David Ring, non-executive director of PEGAS NONWOVENS S.A., professionally residing in 68-70, boulevard de la Pétrusse, Luxembourg, be appointed as chairman of the Meeting (the “**Chairman**”). The Meeting elects, Mr David Ring as Chairman.

The Chairman appoints Mr Nicolas Gauzes, lawyer, professionally residing in Luxembourg as secretary (the “**Secretary**”).

The Meeting elects, Mr Raphaël Poncelet, residing in 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° 1308 of 29 May 2008 and N° 1406 of 7 June 2008 and in the Luxemburger Wort of 29 May 2008 and of 7 June 2008 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 14 May 2008, (ii) the reporting system of PSE on 14 May 2008, (iii) in Czech newspapers *Hospodářské noviny* on 22 May 2008, and (iv) in Polish newspapers *Parkiet* on 26 May 2008. The convening notice was posted on PEGAS’ website as of 14 May 2008.

- 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 stand-alone accounts and the consolidated accounts for the financial year ended 31 December 2007 and of the reports of the Board of Directors of PEGAS on the stand-alone accounts and the consolidated accounts for the financial year ended 31 December 2007.
 3. Approval of the stand-alone accounts and the consolidated accounts for the financial year ended 31 December 2007.
 4. Allocation of the net results of the financial year ended 31 December 2007.
 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 2007.
 6. Appointment of a Luxembourg independent auditor (“*réviseur d’entreprises*”) to review the stand-alone accounts and the consolidated accounts as at 31 December 2008.
 7. Approval of the appointment by the Board of Directors of Mr. Marek Modecki, residing at 265, av. Moliere B-1050, Bruxelles, Belgium, as a non-executive director of the Company, for a period ending at the annual general meeting of shareholders to be held in 2010.
 8. Approval of a change of remuneration policy for non-executive directors for the financial year 2008.
 9. Approval of a change of remuneration policy for executive directors for the financial year 2008.
 10. Approval of the total bonus paid to the executive directors for the financial year 2007 in accordance with the bonus scheme approved by the annual general meeting of shareholders held in 2007.
 11. Approval of a bonus scheme for the executive directors.
 12. 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, 2,098,606 ordinary shares, representing 22.70 % (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 stand-alone accounts and consolidated accounts of PEGAS for the financial year ended 31 December 2007 and submits to the Meeting for examination and approval PEGAS's balance sheet, the profit and loss account and the notes to the accounts, the consolidated balance sheet, the consolidated profit and loss accounts and the notes to the consolidated accounts for the financial year ended 31 December 2007, and the proposal for the allocation of the net results as per 31 December 2007.

After deliberation, the Meeting passes the following resolutions:

- 1. AGENDA ITEM (2) : PRESENTATION AND DISCUSSION OF THE REPORT OF THE AUDITORS REGARDING THE STAND-ALONE ACCOUNTS AND THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 AND OF THE REPORTS OF THE BOARD OF DIRECTORS OF PEGAS ON THE STAND-ALONE ACCOUNTS AND THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007.**

RESOLUTION
<p>The Meeting resolves to acknowledge the reports of the auditor and of the Board of Directors regarding the stand-alone accounts and the consolidated accounts for the financial year ended 31 December 2007.</p> <p>This resolution has been adopted by 2,098,606 shares,</p> <p>0 shares having abstained,</p> <p>0 shares having voted against.</p>

- 2. AGENDA ITEM (3) : APPROVAL OF THE STAND-ALONE ACCOUNTS AND THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007.**

RESOLUTION
<p>The Meeting resolves to approve (i) the stand-alone accounts for the financial year ended 31 December 2007 and (ii) the consolidated accounts for the financial year ended 31 December 2007.</p> <p>This resolution has been adopted by 2,098,606 shares,</p> <p>0 shares having abstained,</p> <p>0 shares having voted against.</p>

3. AGENDA ITEM (4) : ALLOCATION OF THE NET RESULTS OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2007.

RESOLUTION

The Chairman of the Meeting notes, according to the stand-alone accounts, that PEGAS has made a loss in an amount of EUR 1,669,896.74 in respect of the financial year ended 31 December 2007.

3.1 The Meeting resolves to carry forward to the next financial year the loss in an amount of EUR 1,669,896.74 incurred during the financial year ended on 31 December 2007.

This resolution has been adopted by 1,753,455 shares,

345,151 shares having abstained,

0 shares having voted against.

3.2 As the Resolution 3.1 was approved, the AGM did not vote on the Resolution 3.2.

4. 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 2007.

RESOLUTIONS

4.1 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 2007 (i.e. from 1 January 2007 until 31 December 2007).

This resolution has been adopted by 2,098,606 shares,

0 shares having abstained,

0 shares having voted against.

4.2 The Meeting further resolves to give discharge to KPMG AUDIT S.á r.l., 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 2007 (i.e. from 1 January 2007 until 31 December 2007).

This resolution has been adopted by 1,753,455 shares,

345,151 shares having abstained,

0 shares having voted against.

5. **AGENDA ITEM (6) : APPOINTMENT OF THE INDEPENDENT AUDITOR (“RÉVISEUR D’ENTREPRISES”) TO REVIEW THE STAND-ALONE ACCOUNTS AND THE CONSOLIDATED ACCOUNTS AS AT 31 DECEMBER 2008.**

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 2009, to review the stand-alone accounts and the consolidated accounts as at 31 December 2008.

This resolution has been adopted by 1,753,455 shares,

345,151 shares having abstained,

0 shares having voted against.

6. **AGENDA ITEM (7) : APPROVAL OF THE APPOINTMENT BY THE BOARD OF DIRECTORS OF MR MAREK MODECKI AS A NON-EXECUTIVE DIRECTOR OF THE COMPANY FOR A PERIOD ENDING AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD IN 2010.**

RESOLUTION

The Meeting resolves to approve the appointment of Mr Marek Modecki, born on 27 December 1958, residing at 265, av. Molière B-1050, Bruxelles, Belgium, as a non-executive director of PEGAS, for a period ending at the annual general meeting of shareholders to be held in 2010.

This resolution has been adopted by 1,753,455 shares,

345,151 shares having abstained,

0 shares having voted against.

7. **AGENDA ITEM (8) : APPROVAL OF A CHANGE OF REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR 2008.**

RESOLUTION

The Meeting resolves to approve the increase of non-executive directors’ remuneration for the financial year 2008 by 5 per cent in relation to the remuneration paid for the year 2007 to non-executive directors (i.e. by the amount of EUR 3,000/each). The Meeting resolves to authorise and empower the Board of Directors to split this remuneration between the non-executive directors respectively, in accordance with the same principles as used in the previous year.

This resolution has been adopted by 1,753,455 shares,

0 shares having abstained,

345,151 shares having voted against.

8. AGENDA ITEM (9) : APPROVAL OF A CHANGE OF REMUNERATION POLICY FOR EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR 2008.

RESOLUTIONS

The Meeting resolves to approve the increase of executive directors' remuneration for the financial year 2008 by 5 per cent in relation to the remuneration paid for the year 2007 to executive directors (i.e. by the amount of CZK 109,122).

As a result of corporate changes undertaken within PEGAS Group in 2007, the Meeting resolves to approve that the executive directors' remuneration for the performance of their function in the financial year 2008 will further increase by CZK 4,575,104. Subsequently, the remuneration received by executive directors from other companies within PEGAS Group shall be lowered by the same amount of CZK 4,575,104, i.e. the change will be neutral on the consolidated basis.

The Meeting resolves to authorise and empower the Board of Directors to split this remuneration between the executive directors respectively, in accordance with the same principles as used in the previous year.

This resolution has been adopted by 1,753,455 shares,

0 shares having abstained,

345,151 shares having voted against.

9. AGENDA ITEM (10) : APPROVAL OF THE TOTAL BONUS PAID TO THE EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR 2007 IN ACCORDANCE WITH THE BONUS SCHEME APPROVED BY THE ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD IN 2007.

RESOLUTIONS

9.1 In accordance with the bonus scheme approved for the year 2007 by the annual general meeting of shareholders held in 2007, the Meeting resolves to approve the payment of a bonus for the financial year ending on 31 December 2007 to the executive directors of an aggregate amount of CZK 4,611,725.

This resolution has been adopted by 1,149,485 shares,

0 shares having abstained,

949,121 shares having voted against.

9.2 In respect of the bonus payable to the executive directors relating to the financial year ending on 31 December 2007, the Meeting resolves to authorise and empower the Board of Directors to split the above mentioned aggregate amount between the executive directors, in accordance with criteria determined by and at the discretion of the Board of Directors.

This resolution has been adopted by 1,149,485 shares,

0 shares having abstained,

949,121 shares having voted against.

10. AGENDA ITEM (11) : APPROVAL OF THE BONUS SCHEME FOR THE EXECUTIVE DIRECTORS.

RESOLUTIONS

The Meeting resolves to approve the bonus scheme for the executive directors, as indicated in the document which has been tabled to the Meeting, for the financial year 2008 and for the following financial years.

This resolution has been adopted by 1,149,485 shares,

345,151 shares having abstained,

603,970 shares having voted against.

11. AGENDA ITEM (12) : MISCELLANEOUS.

The Chairman of the Meeting finally notes that the Board of Directors intends to distribute a certain amount of share premium in the third quarter of the financial year 2008 in accordance with an interim audit report (not older than 2 months prior to the date of distribution) showing that funds are available for distribution, and subject to financial conditions so permitting.



There being no further business on the agenda, the Meeting is closed at 11:40 a.m..

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