

**RULES OF THE SHAREHOLDERS MEETING OF
ARCTIC PAPER SPÓŁKA AKCYJNA**

**ADOPTED ON 9th OF JUNE 2017 BY A RESOLUTION OF THE ORDINARY SHAREHOLDERS
MEETING**

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1. DEFINITIONS AND GENERAL STATEMENTS

- 1.1 Any references hereinafter to:
- a) **shareholders** – should be understood as references to shareholders of the Company;
 - b) **Best Practices of Companies Listed on GPW** - should be understood as references to the Appendix to Resolution No 12/1170/2007 of the Stock Exchange Board dated 4th July 2007 or any other legal document prevailing instead;
 - c) **Commercial Companies Code, CCC** - should be understood as references to the bill dated 15th September 2000 Commercial Companies Code (Journal of Laws of 2000, No 94, item 1037 as amended);
 - d) **National Depository of Securities** - should be understood as references to Krajowy Depozyt Papierów Wartościowych Spółka Akcyjna;
 - e) **the person who opens the meeting** - should be understood as references to the person indicated in item 3 section 1 of the Rules;
 - f) **representative** - should be understood as references to a person legally empowered for representation of a person entitled to participate in the Shareholders Meeting;
 - g) **Chairman** - should be understood as references to the Chairman of the Shareholders Meeting;
 - h) **Rules** - should be understood as references to the hereby document;
 - i) **Supervisory Board** - should be understood as references to the Supervisory Board of the Company;
 - j) **Company** - should be understood as references to Arctic Paper Spółka Akcyjna;
 - k) **participants** - should be understood as references to shareholders entitled participate in the Shareholders Meeting, their legally empowered representatives and other persons authorized to exercise voting rights from shares;
 - l) **a person entitled to participate** - should be understood as references to a person who has, by virtue of law principles, the right to participate in the Shareholders Meeting in the sense attached to this right by CCC;
 - m) **Shareholders Meeting** - should be understood as references to the Shareholders Meeting of the Company;
 - n) **Management Board** - should be understood as references to the Management Board of the Company.
- 1.2 The Shareholders Meeting proceeds under and in terms of Commercial Companies Code,
- 1.3 The Company's Articles of Association, the Rules and with consideration of the Best Practices of Companies Listed on GPW.
- 1.4 The Rules stipulate the principles of Shareholders Meeting's deliberations and adoption of resolutions.
- 1.5 The Rules and any amendments thereto are adopted by a resolution of the Shareholders Meeting.
- 1.6 Amendments to the Rules come into force no sooner than at the next Shareholders Meeting.
- 1.7 Any documents connected with Shareholders Meeting are published on the Company's website at www.arcticpaper.com in "Investor Relations" section.

- 1.8 If proposing a motion, a statement or a demand requires, on the grounds of Commercial Companies Code, a particular block of shares, then the motion, statement or demand should be accompanied with submitted documents, from which it results beyond any doubt that on the day of proposing the motion, statement or demand the proposer holds the block of shares as required by law.
- 1.9 The requirement stipulated in item 1.7 relates particularly to situations described in article 399 § 3 of CCC, article 400 § 1 of CCC, as well as in article 401 § 1 and § 4 of CCC.

2. MEANS OF ELECTRONIC COMMUNICATION

- 2.1 Within provisions of Commercial Companies Code, shareholders are allowed to contact the Company with use of means of electronic communication. In particular, shareholders are allowed to propose motions, make demands, ask questions, as well as submit notices and documents.
- 2.2 The correspondence as referred to in 2.1 should be directed to dedicated e-mail address: wza@arcticpaper.com.
- 2.3 Any notices, propositions, demands, and statements as provided for by Commercial Companies Code, the Company's Articles of Association and the Rules, submitted to the Company with use of means of electronic communication are deemed filed in the Company once they have been input to a mean of electronic communication so that a person acting on behalf of the Company is able to become acquainted with the correspondence in office hours of the Management Board's office, which are stated on the Company's website or in the notice on convocation of the Shareholders Meeting.
- 2.4 The Company shall not be held responsible for
- (i) the consequences resulting from lack of possibility to use electronic means to contact the Company,
 - (ii) delivery failure of the correspondence sent to the Company by a person entitled to participate via electronic means,
 - (iii) any other results of the shareholder's use of means of electronic communication in contacting the Company,
- if the aforementioned occurrences were beyond the Company's control.
- 2.5 All documents sent by a shareholder to the Company with use of electronic communication should be converted to PDF format.
- 2.6 All scans as mentioned in 2.5 need to be legible and should not raise doubt regarding their nature and the authenticity of the scanned documents.
- 2.7 If a shareholder submits to the Company documents, which were originally drawn in a language other than Polish, the shareholder is obliged to submit to the Company their translation to Polish language, prepared by a sworn translator.

3. OPENING OF THE SHAREHOLDERS MEETING AND ELECTION OF THE CHAIRMAN

- 3.1 The Shareholders Meeting is opened by a person indicated in the Company's Articles of Association or in Commercial Companies Code,
- thereafter election of the Chairman of the Shareholders Meeting occurs from all persons entitled to participate in the Shareholders Meeting.
- 3.2 The person who opened the meeting is allowed to make any order decisions necessary to start the debate, while he/she needs to refrain from any other decisions of substantive or formal nature.
- 3.3 Each participant has the right to propose one candidate for Chairman position (including himself/herself) to be recorded in the minutes.

- 3.4 The proposed candidates are put onto a candidate list once the statements regarding their consent for being a candidate have been recorded in the minutes. The list is drawn by the person who opened the meeting. Once the list has been closed, the person who opened the meeting decides for a ballot concerning appointment of the Chairman.
- 3.5 The appointment of the Chairman is decided in a secret ballot. The person who opened the meeting conducts the ballot, supervises the process and announces the results.
- 3.6 The person who received the most votes among the candidates listed is appointed as the Chairman. In case two or more candidates receive the same biggest number of votes, the ballot is repeated. The only candidates in the repeated ballot are those who received the same biggest number of votes in the previous ballot.
- 3.7 Once the Shareholders Meeting has appointed the Chairman, the person who opened the meeting hands the chair of the meeting over to the Chairman promptly.

4. ATTENDANCE LIST

- 4.1 Only those shareholders are allowed to participate in the Shareholders Meeting who are included in the excerpt drawn by the National Depository of Securities or hold a certificate of entitlement to attend the Shareholders Meeting as described in article 406 (3) § 7 of CCC.
- 4.2 All participants are required to sign the attendance list immediately after they have arrived at the Shareholders Meeting.
- 4.3 The attendance list should particularly include the following data:
 - a) first and last name or the company of each participant;
 - b) description of the document based on which the participant's identity has been confirmed;
 - c) for representatives it is also necessary to indicate:
 - (i) first and last name or the company of the person entitled to attend the meeting, on behalf of whom acts the representative, and
 - (ii) the basis of empowerment (e.g. a member of a company's body, a proxy, a statutory representative);
 - d) indication of the basis for the participants' entitlement to attend the Shareholders Meeting (whether shareholder, pledgee, creditor, etc.);
 - e) the number of shares held by the participant;
 - f) the number of votes attributed to the participant;
 - g) the participant's signature.
- 4.4 Before signing the attendance list, the participant is obliged to present a document which confirms his/her identity beyond any doubt.
- 4.5 Before signing the attendance list, the representatives as mentioned in 4.3© are also obliged to submit documents, from which their empowerment for representation of a person entitled to attend the Shareholders Meeting results beyond any doubt, to be included in the minutes.
- 4.6 In case the representative was given authorization in electronic form, before signing the attendance list he/she is obliged to present a printout of the authorization to be included in the minutes.

5. ELECTRONIC EMPOWERMENT

- 5.1 Shareholders inform the Company about granting an electronic empowerment in written form or with use of dedicated e-mail address as described in item 2.1. In the

information the shareholder provides his/her phone number and e-mail address, as well as the phone number and e-mail address of the representative, at which the Company can contact the shareholder and the representative in order to confirm the fact the empowerment was granted.

- 5.2 Together with the electronic empowerment as mentioned in item 5.1, the shareholder provides the Company with:
- (i) content of the empowerment;
 - (ii) in case of shareholders who are natural persons – scan of ID card, passport or other public document for verification of the shareholder's identity;
 - (iii) in case of other shareholders – scan of an extract from the register where the shareholder is recorded or a scan of other document proving the authorization of the person to act on behalf of the entity,
 - (iv) in case of representatives who are natural persons - scan of ID card, passport or other public document for verification of the representative's identity;
 - (v) in case of other representatives – scan of an extract from the register where the shareholder is recorded or a scan of other document proving the authorization of the person to act on behalf of the entity.
- 5.3 Should any doubt arise regarding authenticity of the copies of documents specified in item 5.2 above, the Company reserves the right to request showing of the following original documents from the representative at drawing of the attendance list:
- a) in case of shareholders who are natural persons – an original or a copy certified to be a true copy by an entity authorized to certification of documents to be true copies of documents as mentioned in item pkt. 5.2(ii) and item 5.2(iv),
 - b) in case of other shareholders - an original or a copy certified to be a true copy by an entity authorized to certification of documents to be true copies of documents as mentioned in item pkt. 5.2(iii) and item 5.2(v).
- 5.4 The notice on convocation of the Shareholders Meeting may include further requirements concerning the manner of informing the Company about granting electronic empowerment.
- 5.5 The information on granting or withdrawing electronic empowerment should be made no later than at 12:00 a.m. (noon) on the day preceding the date in which the Shareholders Meeting commences.
- 5.6 If the information was made according to requirements described in items 5.1 - 5.4 and in the notice on convocation of the Shareholders Meeting, the Company shall immediately confirm that the information was performed properly to the mandator and the representative.
- 5.7 If the information was not made according to requirements described in items 5.1 - 5.4, the Company shall immediately inform the person who submitted the information about its flaws. Irregularities may be a basis for not allowing a person to attend the Shareholders Meeting.
- 5.8 The aforementioned principles are respectively applied to informing the Company about withdrawal of empowerment via electronic means of communication.

6. ATTENDING THE SHAREHOLDERS MEETING

Apart from the participants, other persons may also attend the Shareholders Meeting on condition the Chairman approves it. In particular, it concerns journalists, advisors of the Company, as well as the persons facilitating organization of the Shareholders Meeting.

7. CHAIRMAN

- 7.1 Once elected, the Chairman takes the chair of the meeting promptly from the person who opened the meeting and signs the attendance list.
- 7.2 The Chairman can decide to elect a Scrutiny Committee, consisting of three persons, whose responsibility is to calculate the results of ballots and perform other duties related to ballots.
- 7.3 The Chairman of the Shareholders Meeting:
- a) ensures efficient course of the meeting and respect for rights and interests of all participants,
 - b) leads the deliberation according to accepted agenda,
 - c) watches over compliance with law of the course of the Shareholders Meeting, particularly acting against the participants of the Shareholders Meeting who abuse their powers, and
 - d) ensures respect for minority shareholders.
- 7.4 Competence of the Chairman particularly includes:
- a) approving audio and video recording of the meeting,
 - b) opening and closing the debates on particular items of the agenda,
 - c) giving and taking away the floor. The Chairman is especially allowed to take away the floor in case of statements, which:
 - (i) exceed the designated time for a speech or reply;
 - (ii) cover topics not included in the agenda, or
 - (iii) include offensive content,
 - d) managing and watching over proper course of ballots,
 - e) signing documents containing results of ballots,
 - f) announcing results of ballots,
 - g) adjourning the meeting,
 - h) deciding on procedural matters and explaining legal issues,
 - i) determining – based on accepted motions and amendments – the final content of resolutions prepared by the Shareholders Meeting,
 - j) deciding on issues related to entitlement to attend the Shareholders Meeting,
 - k) stating exhaustion of the agenda, and
 - l) closing the Shareholders Meeting.
- 7.5 Decisions of the Chairman can be challenged to the Shareholders Meeting, which decides the case in a ballot.

8. AGENDA

- 8.1 A detailed agenda of the Shareholders Meeting is included in the notice on convocation of the Shareholders Meeting.
- 8.2 If a shareholder requested for a particular topic to be included in the agenda and the request does not correspond with the requirements set out in Commercial Companies Code, the Rules or in the notice on convocation of the Shareholders Meeting, the Company shall, immediately and no later than within three labor days from receiving the request, inform the party which made the request and indicate flaws that make the request invalid. A corrected request may be submitted anew if the deadline as defined in article 401 § 1 of Commercial Companies Code has been kept.

- 8.3 Once it has been stated that the Shareholders Meeting is in power to adopt resolutions, the Chairman reads the agenda and puts a resolution on its approval to the vote.
- 8.4 Matters in which a resolution is not necessary, can be discussed by the Shareholders Meeting even if they were not included in the agenda.
- 8.5 Resolution on convocation of an extraordinary Shareholders Meeting and procedural resolutions can be adopted even if they were not included in the agenda. This kind of resolutions particularly includes:
- a) resolution on change of order in which the items of the agenda are being discussed,
 - b) resolution on canceling an item of the agenda,
 - c) resolution on manner of voting,
 - d) resolution on an adjournment of the session.

9. DRAFTS OF RESOLUTIONS

Draft of resolutions to be adopted by the Shareholders Meeting are prepared by the Company's body or the persons who convoked or requested convocation of the Shareholders Meeting.

10. ORDER OF DELIBERATION

- 10.1 Voting on drafts of resolutions in matters included in the agenda of the Shareholders Meeting is performed after a discussion.
- 10.2 Drafts of resolutions presented by the Management Board to the participants of the Shareholders Meeting in matters included in the agenda should contain a justification and an opinion of the Supervisory Board should be attached.
- 10.3 A draft of a resolution is read by the Chairman or a person he/she designated. In case there are several drafts of resolutions on one subject, the Chairman or a designated person reads them according to the list of drafts. If the content of the drafts has been provided to the participants for the time of discussion and voting, the Chairman may refrain from reading the drafts and only list them according to the list of drafts.
- 10.4 Once the drafts of resolutions have been read, the Chairman opens the discussion, allowing all participants of the Shareholders Meeting to speak on the discussed matter and the drafts of resolutions.
- 10.5 The chairman gives the floor to the participants according to the order of applications. Members of the Company's bodies can be given the floor out of turn.
- 10.6 Every participant of the Shareholders Meeting has the right to one speech and one reply in discussion on each item of the agenda. The right for a reply is not dependent on whether before there was a speech. Time of a speech is limited to 5 minutes and the time of a reply is limited to 3 minutes.

11. ABANDONMENT OF DISCUSSING AN ISSUE

- 11.1 A resolution on abandonment of discussing an issue included in the agenda by the Shareholders Meeting can be passed only in case there are justified reasons to do so and a motion in the said matter should be reasoned in details.
- 11.2 A cancellation or abandonment of an issue from the agenda on shareholders' request needs a resolution adopted with a majority of % of votes, upon previous approval of all present shareholders who proposed such motion.

12. VOTING

- 12.1 Once the discussion has ended, the Chairman closes the discussion and orders voting on drafts of resolution on the issue.

- 12.2 Ballots on drafts of resolutions on a specific matter are held according to the list of drafts. If one of the drafts is adopted, there is no more voting on other drafts.
- 12.3 Voting of the Shareholder Meeting is performed in an open ballot, unless the principles of Commercial Companies Code or the Company's Articles of Association provide for a secret ballot. A secret ballot is ordered for election of the Supervisory Board and on motions for dismissal of a member of the Company's management or a liquidator, to bring them to justice, as well as in other personal matters. A secret ballot is performed also on request of at least one participant.
- 12.4 Voting is performed with use of electronic or paper ballot cards.
- 12.5 Once the votes have been added up, the results are being printed out, announced and then signed by the Chairman and the member of the Scrutiny Committee in cases described in 12.7.
- 12.6 In case of justified doubts regarding the correctness of votes' calculation, the Chairman can order to repeat the ballot, upon application of a shareholder, a group of shareholders or their representatives.
- 12.7 In case of voting with use of paper ballot cards, shareholders and representatives are given paper ballot cards with the stamp of the Management Board. Votes are counted by the Scrutiny Committee consisting of three persons and appointed earlier by the Shareholders Meeting.
- 12.8 Participation in ballots by correspondence or electronic means is not allowed.

13. CHANGES IN COMPOSITION OF THE SUPERVISORY BOARD

- 13.1 Every shareholder has the right to propose candidates for members of the Supervisory Board.
- 13.2 The candidates who have been proposed agree to candidate for members of the Supervisory Board. In case a candidate has been proposed who is not present at the Shareholders Meeting, his/her written consent is necessary to be submitted.
- 13.3 In compliance with item 12.3., voting on composition of the Supervisory Board is performed in a secret ballot.
- 13.4 A vote is deemed invalid, if:
 - a) it has been cast for a person who was not proposed as a candidate,
 - b) it has been cast for a number of candidates bigger than the set number of candidates to choose from.
- 13.5 The candidates who have received the most votes are appointed as members of the Supervisory Board.
- 13.6 If members of the Supervisory Board have been elected in the manner described in item 12.8 of the Articles of Association, the first Shareholders Meeting held after the election shall adopt resolution on appointment of these candidates as members of the Supervisory Board. If the candidates for members of the Supervisory Board elected in the manner described in item 12.8 of the Articles of Association are not approved, the Shareholders Meeting adopts a resolution on new election of members of the Supervisory Board. Items 13.1 - 13.5 of the Rules are applied respectively.

14. ADJOURNMENT OF THE MEETING

- 14.1 Resolution on adjournment of the meeting should determine the date and time of day, as well as the place of the Shareholders Meeting's resumption.
- 14.2 If a resolution on adjourning the meeting has been adopted, in order to keep the consistency of the Shareholders Meeting it is not necessary to keep the identity of subjects of the Shareholders Meeting, particularly:

- a) once the Shareholders Meeting has been resumed, a different number of participants can attend the Shareholders Meeting on condition that they signed the attendance list on the day of resumption,
 - b) as long as the person who was elected the Chairman before the resolution was adopted to adjourn the meeting is present on resumption day, no further election is performed and the chair of the meeting stays with the same person,
 - c) right to attend the Shareholders Meeting is decided by the principles of law, and the terms as set therein are calculated in relation to the date of the Shareholders Meeting as announced and not to the date of the resumption. However, the participants can empower different persons as representatives.
- 14.3 The resolution on adjournment of the meeting does not require another convocation or a notice on continuation of the Shareholders Meeting and its agenda.
- 14.4 If a resolution to adjourn the meeting has been passed, the resolutions adopted before the break shall be minuted with an annotation that the meeting was adjourned.
- 14.5 Once the Shareholders Meeting has been resumed, the resolutions adopted in this portion of the meeting shall be minuted separately, and if there are several breaks – in several separate minutes. An attendance list of all participants attending this portion of the meeting should be attached to each minutes.
- 14.6 Short, technical breaks in the debate are ordered by the Chairman. The Chairman informs the participants on when and where the meeting should be continued.

15. CLOSING THE MEETING

Once the agenda of the meeting has been exhausted, the Chairman announces that the Shareholders Meeting has been closed.