

ARTICLES OF ASSOCIATION
POLARIS IT GROUP Spółka Akcyjna
having its registered office in Warsaw

I. GENERAL PROVISIONS

§ 1

1. The corporate name of the Company shall be POLARIS IT GROUP Spółka Akcyjna.
2. The Company may also use an abbreviated business name: POLARIS IT GROUP SA.
3. The seat of the company shall be in the Capital City of Warsaw, Poland.
4. The Company shall operate in the territory of the Republic of Poland and abroad.
5. The Company can set up and close companies, branch offices, establishments, representative offices, and other organizational units.
6. The Company may join other companies and organizations operating in the territory of the Republic of Poland and abroad; it can also take over other companies or participate in joint ventures and professional membership organizations, foundations and other business organizations.
7. The duration of the Company shall be unlimited.

§ 2

1. The Company shall be doing business in the following areas:
 - Support activities to performing arts (PKD 90.02.Z);
 - Operation of arts facilities (PKD 90.04.Z);
 - Other amusement and recreation activities (PKD 93.29.Z),
 - Other professional, scientific and technical activities not elsewhere classified (PKD 74.90.Z);
 - Renting and leasing of other machinery, equipment and tangible goods not elsewhere classified (PKD 77.39.Z);
 - Renting and leasing of construction and civil engineering machinery and equipment (PKD 77.33.Z);
 - Leasing of intellectual property and similar products, except copyrighted works (PKD 77.40.Z);
 - Activities of employment placement agencies (PKD 78.10.Z);
 - Organization of conventions and trade shows (PKD 82.30.Z);
 - Other business support service activities not elsewhere classified (PKD 82.99.Z);
 - Non-specialized wholesale trade (PKD 46.90.Z);
 - Retail sale of books in specialized stores (PKD 47.61.Z);
 - Retail sale of newspapers and stationery in specialized stores (PKD 47.62.Z);
 - Retail sale of music and video recordings in specialized stores (PKD 47.63.Z);
 - Other retail sale of new goods in specialized stores (PKD 47.78.Z);
 - Retail sale of second-hand goods in stores (PKD 47.79.Z);
 - Retail sale via mail order houses or via Internet (PKD 47.91.Z);
 - Other retail sale not in stores, stalls or markets (PKD 47.99.Z);
 - Advertising agencies (PKD 73.11.Z);
 - Intermediation in the sale of air time for advertising on radio and TV (PKD 73.12.A);
 - Intermediation in the sale of advertising space in print media (PKD 73.12.B);
 - Intermediation in the sale of advertising space in electronic media (Internet) (PKD 73.12.C);
 - Intermediation in the sale of advertising space in other media (PKD 73.12.D);
 - Research and experimental development on social sciences and humanities (PKD 72.20.Z);

- Market research and public opinion polling (PKD 73.20.Z);
- Public relations and communication activities (PKD 70.21.Z);
- Business and other management consultancy activities (PKD 70.22.Z);
- Technical testing and analysis (PKD 71.20.B);
- Book publishing (PKD 58.11.Z);
- Publishing of newspapers (PKD 58.13.Z);
- Publishing of journals and periodicals (PKD 58.14.Z);
- Other publishing activities (PKD 58.19.Z);
- Other software publishing (PKD 58.29.Z);
- Motion picture, video and television programme production activities (PKD 59.11.Z);
- Motion picture, video and television programme post-production activities (PKD 59.12.Z);
- Motion picture, video and television programme distribution activities (PKD 59.13.Z);
- Motion picture projection activities (PKD 59.14.Z);
- News agency activities (PKD 63.91.Z);
- Other information service activities not elsewhere classified (PKD 63.99.Z);
- Activities of professional membership organizations (PKD 94.12.Z);
- Computer programming activities (PKD 62.01.Z);
- Computer consultancy activities (PKD 62.02.Z);
- Computer facilities management activities (PKD 62.03.Z);
- Other information technology and computer service activities (PKD 62.09.Z);
- Freight transport by road (PKD 49.41.Z);
- Warehousing and storage of other goods (PKD 52.10.B);
- Travel agency activities (PKD 79.11.B);
- Tour operator activities (PKD 79.12.Z);
- Cultural education (PKD 85.52.Z);
- Event catering activities (PKD 56.21.Z);
- Other food service activities (PKD 56.29.Z);
- Web portals (PKD 63.12.Z);
- Other education not elsewhere classified (PKD 85.59.B);
- Other financial service activities not elsewhere classified, except insurance and pension funding (PKD 64.99.Z).

2. Any business activity for which special permissions or approvals are required under separate regulations shall not be performed by the Company until such permission or approval is obtained.

II. SHARE CAPITAL, RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS

§ 3

1. The share capital of the Company shall be PLN 312,000.00 (three hundred and twelve thousand zlotys), and shall be divided into 3,120,000 (three million one hundred and twenty thousand) ordinary bearer shares with a nominal value of PLN 0.10 (ten groszys) per share.

The share capital shall comprise:

a) 2,820,000 (two million eight hundred and twenty thousand) series N shares, numbered from 01 to 2,820,000;

b) 300,000 (three hundred thousand) series O shares, numbered from 01 to 300,000.

2. The series N shares and the series O shares have been fully paid up.

3. The Company's shares can be bearer shares or registered shares.

§ 4

1. The share capital can be increased through the issue of new shares.
2. The share capital can be increased by transferring part of the supplementary or the reserve capital to the share capital or through the issue of shares in lieu of the dividend payable to the Shareholders.
3. The Management Board shall be authorised to carry out one or more share capital increases of the Company for a total amount not exceeding PLN 234 000.00 (two hundred and thirty four thousand Zloty). The authorisation referred to in the previous sentence shall be granted for a period of three years starting from the date of entry of the amendment to the Articles of Association in the register. Within the framework of the authorisation referred to in the first sentence the Management Board shall be entitled to issue subscription warrants with a subscription rights expiry date not later than three years from the date of entry of the amendment to the Articles on the register.
4. Pursuant to the authorisation referred to in sec. 1 the Management Board may deliver shares only in exchange for a cash contribution.
5. A Management resolution concerning determination of a share issue price adopted on the basis of the authorisation referred to in sec. 1 shall require the approval of the Supervisory Board, such share issue price not to be lower than PLN 1.00 (one Zloty) per share.
6. In the course of the share capital increase or issue of subscription warrants on the basis of the basis of the authorisation referred to in sec. 1 the Management Board shall be entitled, subject to Supervisory Board approval, to exclude subscription rights in whole or in part.
7. The Management Board shall be authorised to undertake any action to dematerialise the shares issued as part of authorised capital and to undertake any action to launch such shares in the Alternative Trading System [ATS] on the NewConnect market.

§ 5

1. The share capital can be decreased through reducing the nominal value of shares or through redemption of some of the shares.
2. Shares can be redeemed from net profit or according to the provisions of the Polish Commercial Companies Code concerning the decrease of share capital.
3. The specific terms and conditions and the method of redemption of shares shall on each such be determined by the General Meeting of Shareholders.

§ 6

Pursuant to a resolution of the General Meeting of Shareholders, the Company shall have the right to issue bonds, including bonds convertible into shares.

III. CAPITALS AND FUNDS

§ 7

The Company shall set up the following shareholders' capitals:

- (a) share capital;
- (b) supplementary capital;
- (c) other capitals or funds provided by law.

§ 8

The shareholders' capital shall be used, in particular, to finance fixed assets, intangible assets, current assets, and to finance shares in companies.

§ 9

The Company shall make write-offs to the social benefits fund in the amount specified in the applicable regulations.

IV. COMPANY GOVERNING BODIES

§ 10

The Company's governing bodies shall be:

- (a) Management Board
- (b) Supervisory Board
- (c) General Meeting of Shareholders

- (a) Management Board

§ 11

1. The Management Board shall manage the Company and represent it before other parties.
2. The Management Board shall be responsible for all matters related to the Company's business, which, by law or these Articles of Association, do not fall within the competence of the Meeting of Shareholders or Supervisory Board.
3. The detailed procedures for the operation of the Management Board shall be determined in the Management Board Bylaws, which shall be adopted by the Management Board and approved by the Supervisory Board.
4. The Management Board shall be composed of one to five members, who shall be appointed and removed by the Supervisory Board.
5. The first Management Board has been appointed by all the Shareholders.
6. The term of the Management Board shall be 5 years.

§ 12

If the Management Board is composed of more than one member, the members authorized to represent and sign on behalf of the Company shall be: the President or Vice-President of the Management Board acting individually, two other members of the Management Board acting jointly or the Commercial Proxy acting individually.

§ 13

Employment contracts with members of the Management Board shall be concluded on behalf of the Company by a representative of the Supervisory Board, delegated from among its members.

§ 14

Individual or all members of the Management Board may be suspended for important reasons by way of a resolution of the Supervisory Board, which shall be adopted by a simple majority of votes cast.

(b) Supervisory Board

§ 15

1. The Supervisory Board shall be composed of 5 (five) members.
2. The Supervisory Board shall operate pursuant to the Bylaws adopted by the General Meeting of Shareholders.
3. The term of the Supervisory Board shall be 5 years.

§ 16

1. The members of the Supervisory Board shall be appointed and removed by the General Meeting of Shareholders.
2. If a member of the Supervisory Board resigns or ceases to act as such due to fortuitous circumstances, the Supervisory Board may coopt a new Member of Supervisory Board, who shall act in such capacity until the next Meeting of Shareholders makes an appointment.

§ 17

1. Resolutions of the Supervisory Board shall be valid provided all its members have been invited to the meeting and at least fifty percent of its members are present. Resolutions of the Supervisory Board shall be adopted by a simple majority of votes cast.
2. In the event of a tied vote, the Chairman shall have a casting vote.

§ 18

1. The meetings of the Supervisory Board shall be convened by the Chairman or two members of the Supervisory Board. The Chairman of the Supervisory Board shall chair the meetings, and in his absence the meetings shall be chaired by the Vice-Chairman.
2. The Supervisory Board shall meet at least three times a year.
3. A meeting of the Supervisory Board can be convened on the initiative of the Management Board following a request submitted to the Chairman or the Vice-Chairman. In such case, the meeting of the Supervisory Board should be convened within 14 (fourteen) days of the date when such request, stating the reasons for the meeting, is submitted.
4. The meetings of the Supervisory Board shall be convened upon notice, which shall be sent not later than seven days prior to the date of the meeting. The notice shall specify the agenda for the meeting. Any matters not included in the agenda can be discussed only if all members of the Supervisory Board are present and agree so.
5. A resolution adopted by a vote in writing, which has been signed or approved by letter, telegram, fax, telex or other means of electronic communication by all members of the Supervisory Board, shall be effective as if such resolution was adopted at a Supervisory Board meeting duly convened and held.

§ 19

1. The Supervisory Board shall supervise the operation of the Company on a regular basis. In addition to the powers reserved as such in these Articles of Association and in the Commercial Companies Code, the responsibilities of the Supervisory Board shall be in particular to:
 - (a) delegate a member or members to temporarily perform the duties of the Management Board if individual members or the whole Management Board is suspended or removed, or if the Management Board cannot act for other reasons;

- (b) approve the Management Board Bylaws;
- (c) express an opinion concerning the distribution and allocation of the net profit or the manner of covering of loss, if any;
- (d) appoint an auditor to audit the Company's financial statement;
- (e) appoint and remove members of the Management Board;
- (f) determine the remuneration of members of the Management Board;
- (g) purchase and sell real properties, right of perpetual usufruct or interest in a real property.

(c) General Meeting of Shareholders

§ 20

1. The Meeting of Shareholders shall be Ordinary or Extraordinary.
2. The Meeting of Shareholders shall be convened by the Management Board, on its own initiative or at a written request of the Supervisory Board. The Shareholders representing at least one-twentieth of the share capital may demand that an Extraordinary Meeting of Shareholders be convened and specific matters be placed on its agenda.
3. A Meeting of Shareholders convened at the request of the Supervisory Board or the Shareholders shall be held within two weeks of the date when such request is submitted.
4. The Supervisory Board shall convene the Meeting of Shareholders:
 - (a) If the Management Board fails to convene the Meeting of Shareholders by the prescribed date;
 - (b) If, despite the submission of the request referred to in sect. (2) above, the Management Board fails to convene the Meeting of Shareholders within the period referred to in sect. (3) above.

§ 21

The Meetings of Shareholders shall be held in Warsaw.

§ 22

1. The Meeting of Shareholders shall be convened in accordance with the legal regulations applicable to a public company, and the Shareholders shall attend and exercise their voting rights in accordance with the legal regulations applicable to such company.
2. The list of Shareholders entitled to attend the Meeting of Shareholders, signed by the Management Board, shall be made available to the Shareholders on the premises of the Management Board for three working days prior to the date of the Meeting of Shareholders.
3. The shareholders may attend the Meeting of Shareholders personally or by proxy.

§ 23

In addition to the issues listed in the Commercial Companies Code or in these Articles of Association, the following issues shall require a resolution of the Meeting of Shareholders:

- (a) review and approval of the annual report, balance sheet and profit and loss account for the previous year, and discharge the Company's governing bodies of the performance of their duties, profit share or covering of loss;
- (b) any decisions concerning claims for redressing caused by setting up the Company or by the management or supervision thereof;
- (c) sale or putting the enterprise on lease, and establishing the right of use thereon;
- (d) issue of bonds;
- (e) determination of remuneration for the members of the Supervisory Board;

- (f) increase or decrease of the share capital;
- (g) approval of the Supervisory Board Bylaws;
- (h) determination of the dividend payment date and the date for declaration of the right to dividend.

§ 24

The Meeting of Shareholders shall be opened by the Chairperson or Vice-Chairperson of the Supervisory Board, whereupon the chairperson of the Meeting shall be elected from among the persons entitled to attend the Meeting of Shareholders. If neither the Chairperson nor the Vice-Chairperson is present, the Meeting of Shareholders shall be opened by the President of the Management Board or the person appointed by the Management Board.

§ 25

1. Resolutions of the Meeting of Shareholders shall be adopted by a simple majority of votes cast unless the Commercial Companies Code or these Articles of Association provide for more rigorous requirements for adopting resolutions.
2. If duly convened, the Meeting of Shareholders shall be valid, regardless of the number of shares represented at the Meeting.

V. COMPANY'S ACCOUNTING

§ 26

The financial year of the Company shall be the calendar year. The first financial year shall end on 31 (thirty-first) December 2000.

VI. FINAL PROVISIONS

§ 27

The Company's announcements required by law shall be published in *Monitor Sądowy i Gospodarczy* unless the law provides otherwise.