

**ARTICLES OF ASSOCIATION  
OF ARTNEWS S.A.**

**I. GENERAL PROVISIONS**

**§ 1**

1. The company operates under the name: Artnews Spółka Akcyjna [Joint Stock Company]. -----
2. The Company may use the abbreviated name: Artnews S.A. -----

**§ 2**

1. Registered office of the company shall be in Warsaw. -----
2. The Company shall conduct its operations within the territory of the Republic of Poland and abroad.-----
3. The Company may establish and operate branches, plants, offices, agencies and other entities, and may participate in other companies, as well as economic ventures permitted by law and all organizational and legal forms on the territory of the Republic of Poland and abroad. -----

**§ 3**

1. The Company has been founded by: -----
  - a) a company incorporated in Cyprus under the name ARGOVEST HOLDINGS LIMITED based in Nicosia and -----
  - b) Norbert Rafał Pyffel, -----
  - c) Barbara Mąkólska, -----
  - d) Stanisław Filip Wyganowski. -----
2. The term of the Company shall be indefinite. -----

**II. OBJECTS OF THE COMPANY**

**§ 4**

1. The object of the Company is: -----
  - 1) Wholesale trade services on a contract basis (PKD 46.1); -----
  - 2) Non-specialized wholesale trade services (PKD 46.9); -----
  - 3) Retail sale in non-specialized stores (PKD 47.1); -----
  - 4) Retail sale of cultural and recreation goods in specialized stores (PKD 47.6); --
  - 5) Retail sale of other goods in specialized stores (PKD47.7); -----
  - 6) Retail trade not in stores, stalls, or markets (PKD 47.9); -----
  - 7) Creative arts and entertainment activities (PKD 90.0); -----
  - 8) Libraries, archives, museums, and other cultural activities (PKD 91.0), -----
  - 9) Motion picture, video and television programme activities (PKD.59.1), -----
  - 10)Radio broadcasting (PKD 60.10.Z), -----
  - 11)Open access and subscription television broadcasting (PKD 60.20.Z), -----
  - 12)Non-school art education (PKD 85.52.Z) -----
  - 13)Educational support activities (PKD 85.60), -----
  - 14)Other non-school education n.e.c. (PKD 85.59.B), -----

- 15) Organization of fairs, exhibitions, and conventions (PKD 82.30.Z), -----
- 16) Other business support activities n.e.c. (PKD 82.99.Z), -----
- 17) Business and other management consultancy activities (PKD70.22.Z), -----
- 18) Data processing, hosting, and related activities (PKD 63.11.Z), -----
- 19) Publishing of newspapers (PKD 58.13.Z),-----
- 20) Publishing of journals and periodicals (PKD 58.14.Z),-----
- 21) Other publishing services (PKD 58.19.Z),-----
- 22) Web portal content (PKD 63.12.Z),-----
- 23) Services of head offices and holdings, excluding financial holdings (PKD 70.10.Z).-----

- 2. A change of the company's object may be carried out without the obligation to buy out shares, if a resolution of the General Meeting on the change of the object is adopted by a two-thirds majority in the presence of persons representing at least half of the Company's share capital. -----

### III. SHARE CAPITAL

#### § 5

- 1. The Company's share capital amounts PLN 5.362.741,80 (five million three hundred sixty two thousands sixty two thousand four hundred forty one and 80/100 and is divided into: -----  
-----
  - 1) 10.000.000 (ten million) ordinary bearer shares of Series A, with a nominal value of PLN 0,10 (ten groszy) per share, numbered from 000.000.001 to 010.000.000; -----
  - 2) 153,697 (one hundred fifty-three thousand six hundred ninety-seven) ordinary bearer shares of series B, with a nominal value of PLN 0,10 (ten groszy) per share, numbered from 000.000.001 to 000.153.697; -----
  - 3) 750.000 (seven hundred fifty thousand) ordinary bearer shares of series C, with a nominal value of PLN 0,10 (ten groszy) per share, numbered from 000.001 to 750.000; -----
  - 4) 7.600.000 (seven million six hundred thousand) ordinary bearer shares of series D, with a nominal value of PLN 0,10 (ten groszy) per share, numbered from 000.000.001 to 007.600.000; -----
  - 5) 3.303.698 (three million three hundred and three thousand six hundred and ninety eight) ordinary bearer shares of E series, with a nominal value of PLN 0,10 (ten groszy) per share, numbered from 000.000.001 to 3.303.698. -----
  - 6) 2.875.988 (two million eight hundred seventy five thousand nine hundred eighty eight) ordinary bearer shares of F series, with a nominal value of PLN 0,10 (ten groszy) per share, numbered from 000.000.001 to 3.303.698-----
  - 7) 3.412.903 (three million four hundred twelve thousand nine hundred and three) ordinary bearer shares of G series, with a nominal value of PLN 0,10 (ten groszy) per share, numbered from 000.000.001 to 3.412.903;-----
  - 8) 25.531.132 (five million five hundred thirty one thousand one hundred thirty two) registered shares of G series, with a nominal value of ten groszy) per share, numbered from 000.000.001 to 25.531.132.-----
- 2. Shares of series A, series B, series C, series D, series E, series F and series G were fully paid in cash before the registration of the share capital increase. -----

3. Shares of series H were fully covered before the registration of the share capital increase by the following in kind contribution:-----
  - a) 100% Membership Interest in capital of the company Antiques LLC with its registered office in New York, United State of America;-----
  - b) 100% Membership Interest in capital of the company BAM Modern LLC with its registered office in New York, United State of America;-----
  - c) 100% Membership Interest in capital of the company Art In America LLC with its registered office in New York, United State of America;-----

## § 6

1. Shares may be redeemed with a shareholder's consent through their acquisition by the Company (voluntary redemption) or without shareholder's consent (mandatory redemption). -----
2. Redemption of shares requires a reduction of the share capital. -----
3. Redemption of shares requires a resolution of the General Meeting. The resolution should specify the legal basis for the redemption, the amount of consideration payable to the shareholder of the redeemed shares or a justification of redemption of shares without consideration and the manner of reducing the share capital. The resolution on the redemption must be announced. Redemption of shares without payment may be made only with the consent of the shareholder. Mandatory redemption may take place for a consideration, which may not be lower than the value of the net assets per share, as indicated in the financial statements for the last fiscal year, less the amount to be distributed among the shareholders. -----
4. The consideration payable to the shareholder for the redeemed share may not be lower than the book value of the share. -----
5. Adoption of a resolution to redeem shares shall require a resolution of the General Meeting approving an acquisition of its own shares by the Company in order to redeem such shares, and defining the conditions for the acquisition of these shares. -----
6. Voluntary redemption of shares may be made for non-cash consideration, if provided so by a resolution of the General Meeting that shall specify the date and method of payment by the shareholder receiving such consideration of tax collected by the Company on such consideration. -----

## § 7

1. The share capital may be increased pursuant to a resolution of the General Meeting by issuing new shares or by increasing the nominal value of the existing shares. -----
2. The Company may issue debt securities, including bonds, especially convertible bonds and bonds with pre-emptive rights to acquire Company shares. -----
3. The Management Board shall be authorized to make one or several consecutive increases of the Company's share capital by a total amount not higher than PLN 1,635,554.62 (one million six hundred thirty-five thousand fifty four PLN 62/100). The authorization of the Board shall expire on June 29, 2017 year (authorized capital). Shares allotted from authorized capital can be taken up for cash or in-kind contribution. Taken up of shares for in-kind contribution requires Supervisory Board consent.-----

4. In connection with the increases of the share capital referred to in paragraph 3, the Management Board shall be authorized to issue subscription warrants referred to in Article 453 § 2 of the Code of Commercial Companies. -----
5. Subject to a consent of the Supervisory Board, the Management Board may deprive shareholders, in whole or in part, of the pre-emptive rights in relation to shares or warrants issued under the share capital increases made by the Management Board on the basis of and within the limits of the authorization referred to in paragraphs 3 and 4.-----

**§ 8**

The Company may purchase its own shares in the cases provided for by the Code of Commercial Companies. -----

**IV. THE COMPANY’S GOVERNING BODIES**

**§ 9**

The governing bodies of the Company are: -----  
 A. The Management Board, -----  
 B. The Supervisory Board, -----  
 C. The General Meeting. -----

**§ 10**

Unless otherwise provided for by the Code of Commercial Companies or these Articles, resolutions of the Company's bodies shall be adopted with absolute majority of votes, whereas absolute majority shall mean more than half of the votes cast. -----

**A. THE COMPANY’S MANAGEMENT BOARD**

**§ 11**

1. The Management Board shall manage the Company’s business and represent the Company in all judicial and extra-judicial activities. -----
2. All matters related to the conduct of the Company's business, not reserved for the General Meeting or the Supervisory Board by law or the provisions of these Articles, shall fall within the scope of powers and responsibilities of the Management Board. -----

**§ 12**

1. In the case of a multiple-member management board, two members of the management board acting together or a member of the management board acting together with a proxy are entitled to submit declarations of will and sign documents on behalf of the company, while in the case of a single-member management board, the president of the management board is entitled to submit declarations of will and sign documents on behalf of the company acting independently. -----
2. The appointment of a proxy requires a unanimous resolution of all members of the Management Board. A proxy may be revoked by any member of the Management Board. -----

3. Detailed procedures of the Management Board may be defined in the Rules of Procedure adopted by the Supervisory Board. -----
4. The Company may also be represented by proxies, instructed to act independently or jointly on behalf of the Company, according to the statement on the granting of a commercial proxy. -----

### **§ 13**

1. The Management Board shall consist of at least one member acting as Chairperson of the Board. -----
2. The members of the Management Board are appointed for a five-year term of office.-----
3. The Supervisory Board shall appoint and dismiss the members of the Management Board. -----

### **§ 14**

1. Each member of the Management Board may be dismissed at any time by the Supervisory Board. -----
2. Each member of the Management Board may be suspended from duties, for important reasons, by the Supervisory Board. -----

### **§ 15**

1. Terms of the agreements with the members of the Management Board, including the principles of remuneration, shall be determined by the Supervisory Board. ----
2. In agreements and disputes with the members of the Management Board, the Company shall be represented by the Supervisory Board, unless the Company is represented by an attorney appointed by resolution of the General Meeting in that respect. -----
3. A member of the Board shall not, without the consent of the Company, engage in any competitive business or participate in a competitive company as a partner in a partnership or as a member of the governing body of a company, or participate in any other competitive legal entity as a member of the governing body. This ban also includes participation in a competitive company, if the member of the Management Board has any stocks or shares of this company or has the right to appoint at least one member of this company's Management Board. -----
4. The consent referred to in paragraph 3 herein shall be granted by the Supervisory Board. -----
5. Moreover, any member of the Management Board shall also be obliged to notify the Supervisory Board of their participation in other legal entities as a member of their governing bodies, partner or shareholder, and of provision of work or services to other businesses on the basis of any legal title. -----
6. The provisions of paragraphs 3 and 5 shall be without prejudice to the provisions of other agreements that bind members of the Management Board towards the Company.-----

## B. THE SUPERVISORY BOARD

### § 16

The Supervisory Board shall supervise the operations of the Company in all areas of its business. -----

### § 17

1. The special powers of the Supervisory Board include: -----
  - 1) evaluation of the Company's financial statements and the Management Board's report on the Company's activities in the previous financial year, for their compliance with the books and documents as well as with factual circumstances, -----
  - 2) assessing the Management Board requests as to the appropriation of profit or offset of loss; -----
  - 3) submitting an annual written report on the assessment of results to the General Meeting, as referred to in items 1) and 2) above;-----
  - 4) appointing and dismissing Management Board members; -----
  - 5) suspending, for important reasons, some or all members of the Management Board, as well as delegating Supervisory Board members, for a period not exceeding three months, to temporarily perform the duties of the Management Board members who were dismissed, resigned or are unable to perform their duties for other reasons, -----
  - 6) adopting the Rules of Procedure of the Management Board, -----
  - 7) approving annual budgets (The Company's Financial Plan), the Company's strategic plans and amendments to those documents -----
  - 8) granting consent to assuming obligations by the Company with a value exceeding PLN 200,000.00 (two hundred thousand PLN) or its equivalent, not provided for in the approved budget, -----
  - 9) giving permission for granting guarantees and sureties, issuing or guaranteeing bills of exchange by the Company, not provided for in the approved budget, ----
  - 10) approving the establishment of a pledge, mortgage, transfer of title to secure loan repayment, and other encumbrances, not provided for in the approved budget, -----
  - 11) approving the purchase and sale of real property, perpetual usufruct or interest in real property, not provided for in the approved budget, -----
  - 12) approving the purchase, acquisition or sale by the Company of shares in other companies and consolidation with other entrepreneurs, -----
  - 13) approving the Company's remuneration policy, -----
  - 14) approving the conclusion of agreements between the Company and members of the Management Board, proxies or liquidators of the Company, or members of the governing bodies, proxies or liquidators of companies in which the Company holds shares, or between Affiliated Entities and any of these persons,-
  - 15) approving the conclusion of agreements between the Company and members of the Company's Supervisory Board or the Affiliated Entities and any member of the Supervisory Board; the member of the Supervisory Board who is party to this agreement may not participate in the vote on the resolution of the Supervisory Board in this regard, -----
  - 16) appointment or change an auditor to audit the annual financial statements of the Company, -----
  - 17) other matters reserved for the Supervisory Board by law or the provisions of these Articles, -----

- 18) redemption, withholding or assignment of the Company's receivables or liabilities, with a value above PLN 50,000.00 (PLN fifty thousand) or in situations other than in the normal course of operations. -----

**"Equivalent"** means the euro equivalent of the amount in another currency, calculated in accordance with the average exchange rates published by the National Bank of Poland on the day immediately preceding the day on which the Management Board asked the Supervisory Board to approve the transaction, or, in the absence of such a request, on the day of the transaction. -----

**"Affiliated Entity"** with the person in question means any person, company or other entity having business or family relations with the person, including in particular: ---

(i) the spouse, relatives, and in-laws, regardless of the degree of consanguinity or affinity, -----

(ii) a direct or indirect subsidiary of the person or entity in question having business or family relations with the person; or associated with the person or entity having a business or family relations with the person in question, within the meaning of Article 4 § 1 of the Commercial Companies Code, -----

(iii) any company or entity controlled, directly or indirectly, by the person in question or an entity having business or family relations with the person, or in which the person or entity having business or family relations with the person obtains significant economic benefits. -----

2. Powers referred to in paragraph 1 points 14) and 15) above are exercised by the Supervisory Board regardless of the permissions granted in this respect to the General Meeting on the basis of existing legislation. -----

### § 18

1. Members of the Supervisory Board shall exercise their rights and duties personally.
2. The Supervisory Board may delegate, for important reasons, its individual members to perform specific supervisory activities for a specified period. -----
3. The Supervisory Board may, by way of a resolution, appoint from among its members, teams or committees, including strategic and audit committees, to perform specific tasks. -----
4. The Supervisory Board may adopt its rules of procedure. -----

### § 19

1. The Supervisory Board consists of at least 5 members and not more than 7 members, including the Chairperson and other members of the Supervisory Board.-
2. The right to appoint and dismiss two member of the Supervisory Board shall be vested in the shareholder – Skate Capital Corp with its registered office in Tortola, British Virgin. -----
3. The right to appoint and dismiss three members of the Supervisory Board, including the Chairperson, is vested in the shareholder – BMP Media Holdings LLC with its registered office in New York, United States of America. -----
4. The right to appoint and dismiss one member of the Supervisory Board shall be vested jointly to Skate Capital Corp. with its registered office in Tortola, British Virigin Island and BMP Media Holdings LLC with its registered office in New York, USA.---
5. The members of the Management Board are appointed for a joint five-year term of office. -----

**§ 20**

1. The meetings of the Supervisory Board shall be chaired by its Chairperson. -----
2. Supervisory Board resolutions shall be passed by an absolute majority. -----
3. The Chairperson of the Supervisory Board has the casting vote in the event of an equal number of votes cast upon adoption of resolutions by the Supervisory Board.
4. Declarations addressed to the Supervisory Board between meetings shall be made to the Chairperson of the Board. -----

**§ 21**

1. The Supervisory Board shall meet as necessary, but no less than three times a year.
2. Meetings of the Supervisory Board shall be convened by its Chairperson who presents a detailed agenda. -----
3. Supervisory Board meeting shall be convened at the request of any member of the Supervisory Board or the Management Board. -----
4. Meetings of the Board shall be recorded in accordance with the provisions of the Commercial Companies Code. -----

**§ 22**

1. Convening a meeting of the Supervisory Board shall require a written notice sent to all members of the Supervisory Board at least 7 (seven) days before the meeting. In addition, the notice of the meeting of the Supervisory Board shall be sent by fax or e-mail, whereas lack of acknowledgment of receipt of a copy of the notice sent in this manner does not invalidate the meeting. -----
2. The invitation to the meeting of the Supervisory Board Chairperson shall specify the meeting's date, venue and draft agenda. Meetings of the Supervisory Board may be held in Warsaw, and in other venues, as long as all the members of the Supervisory Board agree. -----
3. Changes to the proposed agenda may be made when the meeting is attended by all members of the Supervisory Board and no one raises any objections as to the agenda. -----

**§ 23**

1. The Supervisory Board shall adopt resolutions if the meeting is attended by at least half of its members, and all the members have been invited. -----
2. The Supervisory Board shall adopt resolutions by open ballot. -----
3. Secret ballot may be ordained at the request of a member of the Supervisory Board and in personal matters. In the case of secret ballot, provisions of paragraph 4 shall not apply. -----
4. The Supervisory Board may pass resolutions in writing or by means of direct remote communication, subject to Art.388 § 4 of the Commercial Companies Code. Adoption of a resolution in this manner requires justification and prior presentation of a draft resolution to all members of the Council. -----
5. Resolutions adopted in the manner specified in paragraph 4 above shall be presented at the next meeting of the Supervisory Board with an indication of the vote results. -----



**§ 24**

1. Members of the Supervisory Board are entitled to remuneration determined by the General Meeting.-----
2. The company shall cover the costs incurred by the members of the Supervisory Board in connection with the performance of their functions, in particular travel expenses to meetings of the Supervisory Board, the cost of performing individual supervision, the cost of accommodation and meals, the cost of operation of the teams or committees of the Supervisory Board, as well as the costs of experts, translators, and other personnel with special skills who have been involved in the execution of the tasks of the Supervisory Board. -----

**C. THE GENERAL MEETING**

**§ 25**

A General Meeting of Shareholders shall be convened in accordance with the rules laid down in the Code of Commercial Companies. -----

**§ 26**

General Meetings shall be held in the Capital City of Warsaw. -----

**§ 27**

1. The General Meeting may adopt resolutions only in matters covered by a detailed agenda, subject to Article 404 of the Commercial Companies Code. -----
2. The agenda shall be proposed the Company's Management Board or any other entity convening the General Meeting. -----
3. A shareholder or shareholders representing at least one twentieth of the share capital may request the inclusion of specific issues on the agenda of the next General Meeting. -----
4. The request referred to in paragraph 3 must be submitted no later than 21 days before the scheduled date of the meeting. -----

**§ 28**

The General Assembly shall be opened by the Chairperson of the Supervisory Board, or - in the case of absence of the Chairperson - by the Deputy Chairperson of the Supervisory Board, and in the absence of those persons - by the Chairperson of the Management Board or a person appointed by the Management Board. -----

**§ 29**

The General Meeting may order the meeting to be adjourned. The adjournments may not last longer than 30 days in total. -----

**§ 30**

Voting at the General Meeting shall be by open ballot. Secret ballot shall be ordered in the case of elections and on motions on dismissal of members of corporate bodies or liquidators, on holding them liable, and on personnel matters. A secret ballot shall also be ordered if so requested by at least one of shareholders present or represented at the General Meeting. -----

**§ 31**

The Annual General Meeting shall be convened annually by the Management Board. It must be held within six months after the end of each financial year. -----

**§ 32**

The powers of the General Meeting: -----

1. reviewing and approving the Management Board's report on the Company's operations and the financial statements for the previous financial year as well as the acknowledgment of the fulfillment of duties by members of the bodies of the Company, -----
2. making of decisions relating to claims for repair of the damage caused at establishment of the Company, management or supervision, -----
3. alienation or leasing of the enterprise or its organized part and appointment of the limited property rights thereto, -----
4. issuance of convertible bonds or bonds with pre-emptive rights, -----
5. issuance of subscription warrants, subject to § 7.5 of the Company's Articles of Association, -----
6. acquisition of the Company's own shares in the case referred to in Article 362 § 1 point 2 of the Commercial Companies Code and authorizing the acquisition of these shares in the case referred to in Article 4 § 1 of the Commercial Companies Code, -----
7. conclusion of the agreement referred to in Article 7 of the Code of Commercial Companies, -----
8. adoption of resolutions on profit distribution or loss coverage, -----
9. merger, division or transformation of the Company, -----
10. dissolution of the Company, -----
11. increasing or decreasing of the share capital, subject to the powers granted in this respect to other bodies of the Company, -----
12. determining remuneration of the Supervisory Board members, -----
13. creating and releasing reserve capitals, -----
14. amending the Company's Articles of Association, -----
15. determining dividend date, -----
16. Determining dividend payment date, -----
17. Other matters reserved for the General Meeting by law or the provisions of these Articles, -----

18. acquisition and sale of real property, perpetual usufruct or interest in real property.

## V. ACCOUNTING OF THE COMPANY

### § 33

The Company's financial year shall be the calendar year. The first financial year shall end on December 31, 2010. -----

### § 34

The Company's accounts are kept in accordance with accounting regulations. -----

1. The Company creates the following capitals and funds: -----

- 1) share capital, -----
- 2) supplementary capital, -----
- 3) reserve capital from revaluation, -----
- 4) other reserve capitals. -----

2. The Company may create and dissolve, by a resolution of the General Meeting, other capitals to cover specific losses or expenses at the beginning and during the financial year. -----

### § 35

1. The Company creates the following capitals and funds: -----

- 1) share capital, -----
- 2) supplementary capital, -----
- 3) reserve capital from revaluation, -----
- 4) other reserve capitals. -----

2. The Company may create and dissolve, by a resolution of the General Meeting, other capitals to cover specific losses or expenses at the beginning and during the financial year. -----

### § 36

1. The Management Board shall, within six months after the end of a financial year, prepare and submit to the Supervisory Board, complete annual financial statements of the Company reviewed by the auditors, elected by the Supervisory Board, together with the Management Board's report on the operations of the Company and the auditor's opinion. -----

2. The Management Board shall prepare quarterly financial statements to the extent specified by a resolution of the Supervisory Board. The reports must be provided to all members of the Supervisory Board within forty-six days after the end of each quarter. -----

3. The Supervisory Board shall define the requirements that must be met by budgets and strategic plans presented by the Management Board. -----

### § 37

1. The manner of distribution of the Company's net profit shall be determined a resolution of the General Meeting. -----

- 2. The General Meeting shall make deductions from profit to supplementary capital of at least 8% of the profit for the financial year, until the capital reaches at least one third of the share capital. -----
- 3. The General Meeting may allocate profit for: -----
  - 1) dividend for shareholders, -----
  - 2) other capitals and funds, -----
  - 3) other purposes. -----
- 4. Adopting a resolution on the distribution of profit, the General Meeting may decide to pay dividend in the amount exceeding the profit referred to in paragraph 1, but not higher than the amount permitted by the provisions of the Commercial Companies Code. -----
- 5. Passing resolutions on profit distribution for the year 2010 and subsequent financial years, the Shareholders shall allocate profit to cover losses carried over from previous years, at least until such time that the amount of the Company's equity equals the amount of the share capital and they shall not allocate profit for distribution among shareholders until that time, or within 12 (twelve) months of the registration of the Company in the register of entrepreneur they shall dispose of free of charge for the benefit of the Company and for the purpose of redemption such a number of shares that after their redemption, lowering of the share capital and allocating the proceeds to cover losses carried over from previous years, the Company's equity shall not be lower than its share capital. -----

**VI. FINAL PROVISIONS**

**§ 38**

For matters not provided for herein, provisions of the the Commercial Companies Code shall apply accordingly. -----

**§ 39**

Instead of an announcement of holding or ceasing to hold a dominant position in a joint-stock company, it shall suffice that all shareholders are notified by registered letter. -----