

**PEGAS NONWOVENS S.A.**

*Société Anonyme*

Registered office: 68-70, boulevard de la Pétrusse, L-2320 Luxembourg  
R.C.S. Luxembourg: B 112.044

**N O T I C E**

**to the holders of shares with ISIN Code LU 0275164910 and Common Code 027516491**

IS HEREBY GIVEN that the annual general meeting (**AGM**) of the shareholders of PEGAS NONWOVENS S.A. (**PEGAS**) is convened to be held at Hôtel Le Royal, 12, boulevard Royal, L-2449 Luxembourg, on Monday June 16, 2014 at 11.00 a.m. Central European Time (**CET**), to consider and vote on the following agenda:

**Agenda:**

1. Election of the Scrutiny Committee (*Bureau*) of the Meeting.
2. Presentation and discussion of the report of the auditors regarding the annual accounts and the consolidated accounts for the financial year ended 31 December 2013 and of the report of the Board of Directors of PEGAS on the annual accounts and the consolidated accounts for the financial year ended 31 December 2013.
3. Approval of the annual accounts and the consolidated accounts for the financial year ended 31 December 2013.
4. Allocation of the net results of the financial year ended 31 December 2013 and distribution of a dividend in the amount of EUR 10,152,340, i.e. EUR 1.10 per share.
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 2013.
6. Renewal appointment of Marek Modecki and Jan Sýkora as members of the Board of Directors of PEGAS.
7. Appointment of a Luxembourg independent auditor ("*réviseur d'entreprises*") to review the annual accounts and the consolidated accounts for the financial year ending 31 December 2014.
8. Approval of a remuneration policy for non-executive directors for the financial year 2014.
9. Approval of a remuneration policy for executive directors for the financial year 2014.
10. Approval of a new incentive scheme for the benefit of various members of senior management and the members of the Board of Directors of PEGAS consisting of new warrants to be issued by PEGAS.
11. Conversion into 230,735 warrants of the existing 230,735 options granted under a phantom options scheme that was established in 2010 by PEGAS for the benefit of various members of senior management and the members of the Board of Directors of PEGAS, without any consideration being owed to PEGAS by the holders of such existing options.

12. Issue of 230,735 warrants under the incentive scheme mentioned under item 10 and exclusion of shareholders' pre-emptive subscription rights in connection therewith.
13. Amendment (in the form of a replacement) of articles 5.2, 5.3, 5.4, 5.5, 6.5, 7 (in its entirety), 17.2 and 18.3 of the Articles of Association, including the introduction of a new authorised capital.
14. Authorisation to the Board of Directors to exclude or limit shareholders' pre-emptive subscription rights with respect to the issue of new securities within the new authorised capital to be introduced under item 13.
15. Miscellaneous.

### **Voting rights, quorum and majority:**

The share capital of PEGAS is composed of 9,229,400 shares with voting rights.

Each share is entitled to one vote. Therefore, there is a total of voting rights of 9,229,400.

In respect of items 1 to 10 and item 15 of the above agenda, no specific quorum is required for the valid deliberation or acknowledgement of the AGM and the resolutions are taken by a simple majority of the votes cast by the shareholders present or represented at the AGM. In respect of items 11, 12, 13 and 14, the general meeting shall not validly deliberate unless at least one half of the share capital is present or represented and the resolutions must be carried by at least two-thirds of the votes cast (it being understood that votes cast shall not include votes attaching to shares in respect of which the shareholder has not taken part in the vote or has abstained or has returned a blank or invalid vote). If the requisite quorum is not reached, a second general meeting may be convened, in the manner prescribed by law and the Articles of Association. The second general meeting shall validly deliberate regardless of the proportion of the share capital present or represented.

Correspondence voting forms that have not been received by PEGAS prior to the AGM within the time period as further determined herein or which indicate neither the direction of a vote nor an abstention are void and therefore not taken into account for the calculation of the votes cast.

### **Other information**

#### I. Right to propose new items to the agenda and to file draft resolutions

One or several shareholders representing, individually or collectively, at least 5% of the share capital of PEGAS may require that some additional items be put on the agenda of the AGM and propose draft resolutions with regards to items included or to be included in the agenda of the AGM.

These rights shall be exercised in writing and shall be submitted to PEGAS by mail at the following address: PEGAS NONWOVENS S.A., 68-70 boulevard de la Pétrusse, L-2320 Luxembourg, attn.: the Board of Directors, OR to the following e-mail address of PEGAS: [iro@pegas.cz](mailto:iro@pegas.cz), at least twenty-two days before the AGM, i.e. no later than on 25 May 2014, and the revised agenda will be published by PEGAS at least fifteen days before the AGM, i.e. no later than on 2 June 2014.

The shareholders who send a request to PEGAS to add an item on the agenda of the AGM must send together with their request a justification thereof or a draft of the resolution to be adopted at the AGM. They must indicate the mail or e-mail address where PEGAS may send the acknowledgment of receipt of their request within forty-eight hours upon receipt of such request.

## II. Right to have access to the documents and information related to the AGM

The following documents and information related to the AGM and the items of its agenda are available to the shareholders (i) at the above mentioned address of PEGAS, (ii) at the following address of PEGAS NONWOVENS s.r.o.: PEGAS NONWOVENS s.r.o., Přímětická 86, 669 04 Znojmo, Czech Republic, and (iii) on the PEGAS' website, [www.pegas.lu](http://www.pegas.lu) or [www.pegas.cz](http://www.pegas.cz):

- this convening notice;
- the form of notification of participation at the AGM;
- the total number of shares and voting rights on the date of the convening notice;
- the proxy form and the correspondence voting forms;
- the draft resolutions of the AGM and their justification;
- the 2013 annual financial report of PEGAS including (i) the annual accounts for the financial year ended 31 December 2013, (ii) the consolidated annual accounts for the financial year ended 31 December 2013, (iii) the Board of Directors' report and auditor's report, (iv) the list of members of the Board of Directors and auditor(s), and (v) the list of sovereign debt, shares, bonds and other company securities making up the portfolio of PEGAS;
- the special report of the Board of Directors of PEGAS on the exclusion or limitation of shareholders' pre-emptive subscription rights within the framework of the new remuneration scheme mentioned under item 10 and within the new authorised capital to be introduced under item 13 of the agenda (containing detailed reasons therefor and dealing in particular with the proposed issue price); and
- the full, unabridged text of the new articles 5.2, 5.3, 5.4, 5.5, 6.5, 7, 17.2 and 18.3 that will replace the corresponding existing articles of the Articles of Association as well as a consolidated version of the Articles of Association as they will read after adoption of the proposed amendments.

The shareholders may also receive a copy of the above mentioned documents by sending a request by mail or e-mail to the above mentioned address of PEGAS.

## III. Right to participate at the AGM in person or represented by way of a power of attorney or by vote by correspondence

The rights of a holder to participate in the AGM and to vote in respect of his shares shall be determined with respect to the shares held by that holder on Monday 2 June 2014 at 11.59 p.m. CET (the **Record Date**).

*1. Shareholders holding their shares through Euroclear Bank S.A./N.V. as operator of the Euroclear system (hereinafter **Euroclear**) or Clearstream Banking, société anonyme (hereinafter **Clearstream**), directly as a participant of such systems*

All shareholders holding their shares through the clearing and settlement systems maintained by Euroclear and/or Clearstream who wish to take part in the AGM must:

- arrange well in advance of the Record Date with Euroclear and/or Clearstream, as applicable, to issue a certificate or an extract from their securities account, evidencing that such shares are registered on their securities accounts as of the Record Date together with

the name of the account holder and the number of shares held; the relevant certificate or extract duly completed and signed by Euroclear and/or Clearstream, as applicable, needs to be sent directly to the above mentioned address of PEGAS by registered mail OR to the above mentioned e-mail address of PEGAS (followed by the delivery of its original at the latest by the date of the AGM), so that it will be received by PEGAS no later than on Thursday 12 June 2014, at 5.00 p.m. CET; AND

- notify PEGAS of their intention to participate and vote at the AGM by sending a duly completed and signed form of notification of participation at the AGM to the above mentioned address of PEGAS by registered mail OR to the above mentioned e-mail address of PEGAS (followed by the delivery of its original at the latest by the date of the AGM), so that it will be received by PEGAS no later than on the Record Date, at 11.59 p.m. CET; shareholders may download the form of notification of participation at the AGM from the above mentioned PEGAS' website, or request this form, free of charge, at the above mentioned mail or e-mail address of PEGAS.

Only shareholders whose relevant certificates or extracts have been received by PEGAS by Thursday 12 June 2014, at 5.00 p.m. CET (either by registered mail or by e-mail followed by the delivery of its original at the latest by the date of the AGM), will be eligible to participate and vote in the AGM.

Such shareholders may participate and vote at the AGM in person, by proxy or by correspondence:

- Shareholders who wish to take part in the AGM in person or by proxy or vote by correspondence need to download the form indicating their attendance in person or by proxy or the correspondence voting form from the above mentioned PEGAS' website, or request those forms, free of charge, at the above mentioned mail or e-mail address of PEGAS.
- The form indicating their attendance in person or by proxy, duly completed and signed, needs to be sent directly to the above mentioned addresses of PEGAS (either by registered mail or by e-mail, followed by the delivery of its original at the date of the AGM) so that it will be received by PEGAS no later than on Thursday 12 June 2014, at 5.00 p.m. CET.
- The form for voting by correspondence, duly completed and signed, needs to be sent directly to the above mentioned address of PEGAS (only by registered mail) so that it will be received by PEGAS no later than on Sunday 15 June 2014, at 11.59 p.m. CET.

## *2. Shareholders holding their shares through Centrální depozitář cenných papírů, a.s. (formerly UNIVYC, a.s.; hereinafter CDCP)*

All shareholders holding their shares through the clearing and settlement system maintained by CDCP who wish to take part in the AGM must:

- arrange well in advance of the Record Date with the relevant financial intermediary holding the shares for their account, which is a member of CDCP, to register their name and number of votes to be exercised during the AGM with CDCP no later than on the Record Date, at 11.59 p.m. CET so that they will appear on the list of shareholders registered for the AGM prepared by CDCP as of the Record Date, at 11.59 p.m. CET; the financial intermediaries must send the registration requests in writing to the operational department of CDCP at [cdep@pse.cz](mailto:cdep@pse.cz); AND

- notify PEGAS of their intention to participate and vote at the AGM by sending a duly completed and signed form of notification of participation at the AGM to the above mentioned address of PEGAS by registered mail OR to the above mentioned e-mail address of PEGAS (followed by the delivery of its original at the latest by the date of the AGM), so that it will be received by PEGAS no later than on the Record Date, at 11.59 p.m. CET; shareholders may download the form of notification of participation at the AGM from the above mentioned PEGAS' website, or request this form, free of charge, at the above mentioned mail or e-mail address of PEGAS.

Only shareholders who have been registered with CDCP no later than on the Record Date, at 11.59 p.m. CET, and whose name and number of votes to be exercised during the AGM appear on the list of shareholders registered for the AGM prepared by CDCP as of the Record Date, at 11.59 p.m. CET, will be eligible to participate and vote in the AGM.

Such shareholders may participate and vote in the AGM in person, by proxy or by correspondence according to the following process:

- Shareholders who wish to take part in the AGM in person or by proxy must request a form indicating their attendance in person or by proxy from the financial intermediary holding the shares for their account, or alternatively download the form from the above mentioned PEGAS' website, and send the duly completed and signed form either directly or through the financial intermediary holding the shares for their account to the above mentioned address of PEGAS by registered mail OR to the above mentioned e-mail address of PEGAS (followed by the delivery of its original at the latest by the date of the AGM), so that it will be received by PEGAS no later than on Thursday 12 June 2014, at 5.00 p.m. CET.
- Shareholders who wish to vote by correspondence must request a correspondence voting form from the financial intermediary holding the shares for their account, or alternatively download the form from the above mentioned PEGAS' website, and send the duly completed and signed form either directly or through the financial intermediary holding the shares for their account to the above mentioned address of PEGAS (only by registered mail) so that it will be received by PEGAS no later than on Sunday 15 June 2014, at 11.59 p.m. CET.

The registration of a shareholder with the CDCP shall not subject such shareholder's right to sell or transfer in whatsoever manner its shares as from the Record Date to the date of the AGM to any limitations other than those to which a shareholder may be subject at any other time

### *3. Shareholders holding their shares through the Polish National Depository for Securities (Krajowy Depozyt Papierów Wartościowych Spółka Akcyjna) (the NDS)*

All shareholders holding their shares through the clearing and settlement system of the NDS who wish to take part in the AGM must:

- arrange well in advance of the Record Date with the relevant financial intermediary operating their securities accounts or the holders of the omnibus account (*rachunek zbiorczy*) on which the shares are registered to issue a certificate to participate in the shareholders meeting (*zaświadczenie o prawie uczestnictwa w walnym zgromadzeniu*) or the relevant extract from the securities account (*wyciąg z rachunku papierów wartościowych*) evidencing that such shares are registered on the relevant securities account or the omnibus account as of the Record Date together with the name of the account holder or the person for the benefit of whom the shares are held on the omnibus account and the number of votes to

be exercised during the AGM; the relevant certificate or extract duly completed and signed by authorized representatives of the financial intermediary needs to be sent directly to the above mentioned address of PEGAS by registered mail OR to the above mentioned e-mail address of PEGAS (followed by the delivery of its original at the latest by the date of the AGM), so that it will be received by PEGAS no later than on Thursday 12 June 2014, at 5.00 p.m. CET; AND

- notify PEGAS of their intention to participate and vote at the AGM by sending a duly completed and signed form of notification of participation at the AGM to the above mentioned address of PEGAS by registered mail OR to the above mentioned e-mail address of PEGAS (followed by the delivery of its original at the latest by the date of the AGM), so that it will be received by PEGAS no later than on the Record Date (i.e., on Monday 2 June 2014) at 11.59 p.m. CET; shareholders may download the form of notification of participation at the AGM from the above mentioned PEGAS' website, or request this form, free of charge, at the above mentioned mail or e-mail address of PEGAS.

Only shareholders whose relevant certificates or extracts have been received by PEGAS by Thursday 12 June 2014, at 5.00 p.m. CET (either by registered mail or by e-mail followed by the delivery of its original at the latest by the date of the AGM), will be eligible to participate and vote in the AGM.

Such shareholders may participate and vote at the AGM in person, by proxy or by correspondence:

- Shareholders who wish to take part in the AGM in person or by proxy or vote by correspondence need to download the form indicating their attendance in person or by proxy or the correspondence voting form from the above mentioned PEGAS' website, or request those forms, free of charge, at the above mentioned mail or e-mail address of PEGAS.
- The form indicating their attendance in person or by proxy, duly completed and signed, needs to be sent directly to the above mentioned addresses of PEGAS (either by registered mail or by e-mail, followed by the delivery of its original at the date of the AGM) so that it will be received by PEGAS no later than on Thursday 12 June 2014, at 5.00 p.m. CET.
- The form for voting by correspondence, duly completed and signed, needs to be sent directly to the above mentioned address of PEGAS (only by registered mail) so that it will be received by PEGAS no later than on Sunday 15 June 2014, at 11.59 p.m. CET.

The certificate or the relevant extract evidencing that the shares are registered on the shareholder's securities account as of the Record Date shall not be treated as a depository certificate (*świadcetwo depozytowe*) in the meaning of the Polish act of 29 July 2005 on trading in financial instruments (J.L. of 2005, No. 183, item 1538, as amended) and therefore the right of such shareholder to sell or transfer in whatsoever manner his shares as from the Record Date to the date of the AGM is not subject to any limitation other than those to which a shareholder may be subject at any other time.

#### **Miscellaneous:**

PEGAS will not bear any costs incurred by the shareholders for the purpose of the AGM registration and participation in the AGM.

Board of Directors of PEGAS NONWOVENS S.A.

In Luxembourg on 14 May 2014