

BIOTON S.A. („**Company**”), acting pursuant to § 38 paragraph 1 item 3 of the regulation of the Minister of Finance of 19 February 2009 on current and periodical information submitted by issuers of securities and conditions of deeming equivalent the information required by the regulations of a state being a non-member state (Journal of Laws of 2009, No. 33, item 259, as amended), hereby submits the reading of the resolution of the Extraordinary General Meeting of the Company which was held on 18.12.2013.

To item 3 of the agenda

**RESOLUTION No. 1
of the Extraordinary General Meeting
of BIOTON Spółka Akcyjna
of 18 December 2013**

on issue of bonds convertible to series B shares

“Pursuant to Art. 393 item 5 and Art. 448 of the act of 15 September 2000 - the Code of Commercial Companies and Art. 20 and 23 of the act of 29 June 1995 on bonds, the Extraordinary General Meeting of BIOTON S.A. (“Company”) adopts, as follows:

§1

1. There shall be issued bearer bonds, secured, having no documentary form (“**Bonds**”), convertible to Company bearer series B shares issued within the conditional increase of the share capital of the Company, pursuant to § 2 of this Resolution (“**Series B Shares**”).
2. Total nominal value of the Bonds issue shall not exceed 79,200,000.00 PLN (seventy-nine million, two hundred thousand zloty).
3. By way of a resolution adopted prior to commencing of the subscription, the Managing Board of the Company is entitled to specify the conditions of Bonds issue, not specified herein, in particular the nominal value of one Bond, the issue price, the objectives of the issue, interest rate, terms and principles of payment of benefits from the Bonds, redemption dates of respective series not earlier than one year after the issue date and not later than three years from the date of issue, other redemption principles and the thresholds of Bonds issue taking place. Therefore, the Managing Board of the Company has been authorized to specify the conditions of issue of the Bonds and Series B Shares which are not specified herein, whereas specification of the conditions of issue of the Bonds shall require approval by the Supervisory Board.
4. In the resolution specifying the conditions of issue of Bonds, the Managing Board of the Company may include the possibility of redemption of Bonds before maturity date and specify the instances in which the Company shall be obliged or authorized to redeem the Bonds before maturity as well as financial compensation for the redemption of Bonds before maturity or the method of calculation thereof.
5. The Managing Board is hereby authorized to define the principles of allocation of Bonds and selection and negotiations with selected investors with the aim of acquisition of Bonds issue.
6. The Bonds issue shall take place as soon as they are fully paid up. The Bonds issue date shall be the day on which the Bonds are registered on the securities accounts of the Bondholders. The Bonds issue date may not be earlier than the date of entry of the share capital increase within the conditional capital in the entrepreneurs register.

7. Bondholders shall be entitled at their own discretion to:
 - 7.1 convert the Bonds to Series B Shares; or
 - 7.2 redeem the Bonds.
8. Redemption of bonds shall be executed through payment, at maturity date, of the amount being the equivalent of the nominal value of Bonds.
9. A Bondholder shall be entitled to convert Bonds to Series B Shares in return for the Bonds held, under the following conditions:
 - 9.1 The number of Series B Shares awarded for one Bond shall be equal to the rounded down quotient of the nominal value of the Bond and the price of conversion to Series B Shares granted in return for the Bonds.
 - 9.2 The minimum conversion price of Series B Shares granted in return for the Bonds shall be established in such manner that there is maximum one zloty of the nominal value of the Series B Shares to one zloty of the nominal value of the Bonds. With the reservation of the minimum price, the Managing Board of the Company is hereby authorized to establish the conversion price or to specify detailed method of establishment of the conversion price of Series B Shares granted in return for the Bonds in the resolution specifying the conditions of Bonds issue, whereas the conversion price or specification of detailed method of its establishment shall require approval by the Supervisory Board of the Company.
 - 9.3 The dates and detailed conditions of Bonds conversion to Series B Shares shall be specified by the Managing Board of the Company in the resolutions specifying the conditions of Bonds issue.
 - 9.4 Conversion of Bonds to Series B Shares shall be made on the grounds of written statements signed by the Bondholders. The Managing Board of the Company shall report the increase of the share capital to the registration court in the manner compliant with Art. 452 of the Code of Commercial Companies. The deadlines for the statements referred to in the previous sentence shall be specified by the Managing Board of the Company in the resolution specifying the terms of issue of the Bonds.
10. In case the Managing Board of the Company decides that the Bonds are to be dematerialized according to the provisions of the act of 29 July 2005 on financial instruments turnover, dematerialization of the Bonds is hereby approved and the Managing Board is authorized to take all actions required to dematerialize the Bonds, including conclusion of the agreement on registration of the Bonds with the National Depository for Securities ("**NDS**") and all actions aiming at introduction of the Bonds to turnover in the regulated market of the Warsaw Stock Exchange ("**WSE**"), BondSpot S.A. or an alternative turnover system.
11. As the guarantee for claims resulting from the Bonds the Company shall establish mortgage liens on the real property or on the perpetual usufruct right of the real property and on the ownership right of the real properties other than land, i.e. buildings and structures located on such real property, pledge or registered pledge on machines and equipment and pledge or registered pledge on shares, and shall make a statement on submission to execution pursuant to Art. 777 of the code of civil procedure.

§2

1. For the purpose of granting the rights to acquire Series B Shares by the Bondholders, the share capital of the Company is conditionally increased by the amount not exceeding 79,200,000.00 PLN (seventy-nine million, two hundred thousand zloty) through issue of no more than 3,960,000 (three million, nine hundred and sixty thousand) of ordinary bearer series B shares of the nominal value of 20 PLN (twenty zloty) each.
2. The increase of the share capital by way of issue of Series B Shares shall take place at the moment a Bondholder exercises his right to acquire Series B Shares under conditions specified herein and in the Bonds issue conditions.
3. The right to acquire Series B Bonds granted to the Bondholders will be executed not later than on the Bonds maturity date, as specified under § 1 clause 3 hereof.
4. The issue price of Series B Shares shall be established according to the principles specified herein and in the Bonds issue conditions and shall be specified by the Managing Board of the Company and approved by the Supervisory Board of the Company.
5. Series B Shares shall entitle their holders to participate in dividend distribution under the following terms and conditions:
 - 5.1 Series B Shares issued not later than on the divided record date determined in a resolution of the General Meeting on apportionment of profit shall entitle their holders to the share in profits starting from the profit for the previous financial year, i.e. from 1 January of the financial year directly preceding the year in which the shares were issued,
 - 5.2 Series B Shares issued on the day immediately following the dividend record date determined in a resolution of the General Meeting on apportionment of profit shall entitle their holders to share in profits starting from the profit for the financial year in which the shares were issued, i.e. from 1 January of this financial year.
6. The Managing Board of the Company is hereby authorized to take all actions related to the issue and allocation of the Series B Shares to the Bondholders who have made statements on their conversion to the Series B Shares, in particular, the Managing Board of the Company shall be authorized, if necessary, to conclude an agreement with a selected financial institution, pursuant to which such institution shall perform selected actions related to the issue and registration of the Series B Shares with the NDS and their admission and introduction to turnover at the WSE.
7. The Extraordinary General Meeting of the Company agrees to the Company's seeking admission of Series B Shares to trading in the regulated market of the WSE and decides that Series B Shares shall be dematerialized.
8. The Managing Board of the Company is authorized and required to take any and all actions necessary to perform this Resolution, including to file with the Polish Financial Supervision Authority all relevant applications and notifications, seek admission of Series B Shares to trading in the regulated market, have Series B Shares registered with the NDS and to seek admission of Series B Shares to trading in the regulated market of WSE.

§ 3

Considering that it is in the interest of the Company, the existing shareholders of the Company are fully deprived of their pre-emptive rights to the Series B Shares and Bonds. It is hereby acknowledged a written opinion issued by the Managing Board of the Company presenting the reasons for the exclusion of the pre-emptive rights to the Series B Shares and Bonds, attached hereto as Schedule No. 1.

§ 4

In reference with the conditional increase of the share capital made on the basis of this resolution, the Extraordinary General Meeting of the Company has decided to amend § 11a of the Statute of the Company to attach to them the new reading, as follows:

"§ 11a

1. *The conditional share capital of the Company amounts to no more than 106,080,000.00 PLN (one hundred and six million, eighty thousand zloty) and is divided into no more than:
 - a) 1,324,000 (one million, three hundred and twenty-four thousand) ordinary bearer series O shares of the nominal value 20.00 PLN (twenty zloty) each;
 - b) 20,000 (twenty thousand) ordinary bearer series P shares of the nominal value 20.00 PLN (twenty zloty) each;
 - c) 3,960,000 (three million, nine hundred and sixty thousand) ordinary bearer series B shares of the nominal value 20.00 PLN (twenty zloty) each.*
2. *The purpose of the conditional increase of the share capital referred to under § 11a clause 1 a) is to grant the pre-emptive right to series O shares to the holders of subscription warrants issued by the Company on the basis of the resolution No. 4 of the Extraordinary General Meeting of 6 April 2009.*
3. *The purpose of the conditional increase of the share capital referred to under § 11a clause 1 b) is to grant the pre-emptive right to series P shares to the holders of subscription warrants issued by the Company on the basis of the resolution No. 5 of the Extraordinary General Meeting of 6 April 2009.*
4. *The purpose of the conditional increase of the share capital referred to under § 11a clause 1 c) is to grant the pre-emptive right to series B shares to the holders of bonds convertible to shares issued by the Company on the basis of the resolution No. 1 of the Extraordinary General Meeting of 18 December 2013."*

§ 5

This resolution shall take effect as of the date of its adoption, whereas the change of the Statute shall be effective as of the date of its registration by the competent Registration Court."

Voting on the above resolution was participated by the Shareholders of the Company who own in total 1,488,849,775 shares, out of which valid votes were cast, which constituted 17.34 % of the share capital of the Company, out of which 1,488,849,775 votes were cast in open ballot, where:

- 1,487,965,864 votes were „for”,
- 0 votes were „against”,
- 883,911 votes were abstained.