

ARTICLES OF ASSOCIATION
(with the wording of planned amendments)

provisions to be amended:

- § 10
- § 16 sec. 4, 5, 6 and 7,
- § 17 sec. 1 item 15 (a), (b), (c), (d), (e), (h), (i)
- § 17 sec. 1 item 20,
- § 17 sec. 1 item 21 (a), (b), (g)
- § 17 sec. 2 item 1
- § 18 sec. 5 and 7
- § 22 sec. 6
- § 23a sec. 2 - 5,
- § 25,
- § 26 sec. 1 item 1, 2, 3 and 7

I. GENERAL -----

§ 1

1. The name of the Company is ENERGA Spółka Akcyjna. -----
2. The Company may use the abbreviated business name of ENERGA SA and a graphic mark to distinguish it. -----

§ 2

The Company's registered office is Gdańsk. -----

§ 3

1. The Company conducts its business in the Republic of Poland and abroad. -----
2. The Company may establish and operate branches, establishments, offices, representative offices and other units and may participate in other companies and enterprises in the territory of the Republic of Poland and abroad. -----
3. The Company may be a member of domestic or foreign associations. -----

§ 4

The Company is established for an unlimited duration. -----

II. COMPANY'S LINE OF BUSINESS -----

§ 5

The Company's line of business (according to the Polish Classification of Business Activity) is:

- 1) Financial holding activity (64.20.Z), -----
- 2) Activity of head offices; management consulting (70), -----
- 3) Production of electric motors, generators, transformers, switchgear and control equipment for the supply of electricity (27.1),-----
- 4) Production of insulated wires and cables and installation equipment (27.3), -----
- 5) Production of electrical lighting equipment (27.40.Z), -----
- 6) Production of other electrical equipment (27.90.Z), -----
- 7) Generation, transmission, distribution of, and trade in, electricity (35.1), -----
- 8) Production and supply of steam, hot water and air for ventilation systems (35.30.Z),-----
- 9) Construction of water projects (42.91.Z), -----
- 10) Wholesale sale of information and communication technology tools (46.5), -----
- 11) Wholesale sale of other office machinery and equipment (46.66.Z), -----
- 12) Wholesale sale of other machinery and equipment (46.69.Z), -----
- 13) Accommodation (55),-----
- 14) Service activity associated with alimentation (56), -----
- 15) Telecommunications (61),-----
- 16) Activity related to software and consulting regarding information technology, and related activity (62.0), -----
- 17) Data processing; website hosting and similar activity; activity of web portals (63.1), -----
- 18) Other service activity related to information, not classified elsewhere (63.99.Z), -----
- 19) Activity of trusts, funds and similar financial institutions (64.30.Z), -----
- 20) Other financial services activity, excluding insurance and pension funds (64.9), -----
- 21) Activity supporting financial services, excluding insurance and pension funds (66.1), -----
- 22) Activity associated with catering to the real estate market (68), -----
- 23) Accounting and bookkeeping activity, tax advisory services (69.20.Z), -----
- 24) Activity in the area of engineering and related technical consulting (71.1.Z), -----
- 25) Activity of advertising agencies (73.11.Z), -----
- 26) Other professional, scientific and technical activity not classified elsewhere (74.90.Z),-----
- 27) Lease and rental of recreation and sports equipment (77.21.Z),-----
- 28) Lease of intellectual property and similar products, excluding copyright-protected works (77.40.Z),
- 29) Activity related to job search and employee recruitment (78.10.Z), -----
- 30) Other activity related to leasing employees (78.30.Z), -----
- 31) Activity of facilities designed for improvement of physical well-being (93.13.Z), -----
- 32) Other entertainment and recreational activity (93.29.Z), -----
- 33) Repair and maintenance of computers and peripherals (95.11.Z), -----
- 34) Service activity related to improvement of physical well-being (96.04.Z), -----

- 35) Publishing of books and periodicals and other publishing activity, excluding software-related activity (58.1). -----

III. CAPITAL-----

§ 6

1. The Company's share capital in the amount specified in the Articles of Association adopted at incorporation (PLN 500,000.00) has been fully paid up in cash prior to the Company's registration.-----
2. The Company was founded by the following entities:-----
 - 1) The State Treasury, which subscribed for 255,000 (two hundred fifty-five thousand) registered shares with a total par value of PLN 255,000 (two hundred fifty-five thousand Polish zloty), specifically series A shares numbered **from A 000000001 to A 000255000**,-----
 - 2) The company operating under the business name of Koncern Energetyczny ENERGA SA, which subscribed for 160,000 (one hundred sixty thousand) registered shares with a total par value of PLN 160,000.00 (one hundred sixty thousand Polish zloty), specifically series A shares numbered **from A 000255001 to A 000415000**,-----
 - 3) The company operating under the business name of Zespół Elektrowni Ostrołęka S.A., which subscribed for 85,000 (eighty-five thousand) registered shares with a total par value of PLN 85,000.00 (eighty-five thousand Polish zloty), specifically series A shares numbered **from A 000415001 to A 000500000**.-----

§ 7

The Company's share capital is PLN 4,521,612,884.88 (four billion five hundred twenty-one million six hundred twelve thousand eight hundred eighty-four Polish zloty and eighty-eight grosz) and is divided into 414,067,114 (four hundred fourteen million sixty-seven thousand one hundred fourteen) shares with a par value of PLN 10.92 (ten Polish zloty and ninety-two grosz) each, consisting of the following registered shares: -----

- 1) 269,139,114 (two hundred sixty-nine million one hundred thirty-nine thousand one hundred fourteen) common series AA shares numbered from AA 00000001 to AA 269139114, and -----
- 2) 144,928,000 (one hundred forty-four million nine hundred twenty-eight thousand) series BB shares numbered from BB 00000001 to BB 144928000, which are preferred shares in terms of voting at the General Meeting with each preferred share conferring the right to 2 (two) votes at the General Meeting. -----

§ 8

1. The shares may be registered or bearer shares. -----
2. Registered shares to be dematerialized pursuant to the Act of 29 July 2005 on Trading in Financial Instruments shall become bearer shares upon such dematerialization. -----

3. The conversion of bearer shares into registered shares shall not be permitted. -----
4. Shares may be deposited with the Company or with an entity keeping a deposit account on behalf of the Company. -----

§ 9

Shares may be retired with the shareholder's consent by way of their acquisition by the Company (voluntary retirement). -----

IV. SHAREHOLDER'S RIGHTS AND OBLIGATIONS -----

§ 10

1. As a shareholder, the State Treasury represented by the pertinent minister is entitled to rights stemming from the Articles of Association and other regulations. -----
2. As of the date of admission of the Company's shares to trading on a regulated market, the following powers shall be vested in the shareholder in possession of the largest stake in the Company's share capital as at the date of adoption of the General Meeting resolution granting such powers: -----
 - 1) the right to receive information regarding the Company and the Company's capital group in the form of a quarterly report in accordance with the guidelines issued by the minister authorized to represent the State Treasury [subject to the pertinent regulations governing the disclosure of confidential information],-----
 - 2) the right to receive copies of announcements subject to the duty of publication in the Monitor Sądowy i Gospodarczy, -----
 - 3) the right to receive complete sets of documents forming, pursuant to Article 395 § 2 of the Commercial Company Code, the subject matter of the Annual General Meeting, i.e.: -----
 - a) the financial statements (consolidated financial statements of the capital group), -----
 - b) the Management Board report on the Company's activity (Management Board report on the activity of the capital group) for the previous financial year,-----
 - c) the auditor's opinion and report on the audit of the Company's financial statements (consolidated financial statements of the capital group), -----
 - d) the Supervisory Board report,-----
 - e) the Management Board's motion on the distribution of profit or the coverage of loss, -----
 - 4) the right to receive a consolidated version of the Articles of Association within four weeks from the date of entry of amendments to the Articles of Association in the register of commercial entities. -----

V. COMPANY'S CORPORATE BODIES -----

§ 11

The Company's corporate bodies are as follows: -----

- 1) the Management Board, -----

- 2) the Supervisory Board,-----
- 3) the General Meeting.-----

A. COMPANY'S MANAGEMENT BOARD-----

§ 12

Subject to applicable laws and the provisions of these Articles of Association, the Management Board runs the Company's affairs and represents the Company.-----

§ 13

Two Management Board members acting jointly or one Management Board member acting jointly with a commercial proxy are authorized to make binding representations on behalf of the Company.-----

§ 14

1. Each Management Board member has the right and obligation to conduct the Company's matters.-----
2. Without prejudice to section 3 below, any member of the Management Board may run the Company's affairs within the scope of his or her powers, as specified in the Management Board bylaws, without a prior resolution of the Management Board. If, however, before handling such matter, at least one of the remaining Management Board members objects to the handling thereof, a Management Board resolution shall be required.-----
3. A Management Board resolution shall always be required for:-----
 - 1) matters involving: -----
 - a) the granting of a guarantee or a surety or the issuance of a promissory note,--
 - b) the granting of a donation, interest forgiveness or debt relief, -----
 - c) the purchase, the establishment of a limited right in rem or the disposal of a real property or a right of perpetual usufruct or of a share in a real property or in a right of perpetual usufruct, -----
 - d) taking a loan or cash advance, -----
 - 2) other matters involving the disposal of a right or the incurring of a liability in excess of PLN 1,000,000, not covered elsewhere in this section, -----
 - 3) adopting the Management Board bylaws, -----
 - 4) adopting the organizational bylaws for the Company's enterprise, -----
 - 5) establishing and liquidating branches, -----
 - 6) granting a general power of attorney,-----
 - 7) adopting the Company's annual or long-term material and financial plan or other long-term plan or strategy for the Company or its capital group, -----
 - 8) establishing the rules for conducting the Company's sponsoring activity, -----
 - 9) matters referred by the Management Board to the Supervisory Board or the General Meeting, -----

- 10) specifying voting instructions for the general meeting of companies in which the Company holds shares or exercises rights attached to shares, -----
 - 11) convening the General Meeting and accepting its agenda, -----
 - 12) accepting the Management Board's reports on the Company's activity and the activity of the capital group as well as the financial statements and the consolidated financial statements of the capital group for the previous financial year,-----
 - 13) adopting the bylaws of a fund or capital account existing in the Company, -----
 - 14) the Company's subscribing for or acquiring shares in another company in return for the Company's receivables as part of composition or settlement proceedings and their subsequent disposal,-----
 - 15) staffing management positions in the Company's organizational structure, -----
 - 16) invalidating share certificates. -----
4. Management Board resolutions shall be adopted by an absolute majority of votes. If an equal number of votes are cast, the vote cast by the President of the Management Board shall prevail.-----
 5. The organization and manner of operation of the Management Board, including a detailed procedure for adopting resolutions, shall be defined by the Management Board bylaws approved by the Supervisory Board. -----
 6. The President of the Management Board directs the work of the Management Board. The rights of the President of the Management Board in this area shall be defined by the Management Board bylaws. -----

§ 15

1. The Management Board consists of 1 to 5 persons, including the President of the Management Board and one or several Vice-Presidents of the Management Board. ----
2. Management Board members are appointed for a joint three-year term of office.-----

§ 16

1. Management Board members are appointed and dismissed by the Supervisory Board.
2. The Supervisory Board shall appoint Management Board members following the completion of a qualification procedure held pursuant to the Council of Minister's Regulation of 18 March 2003 on Qualification Procedures for Management Board Members in Certain Commercial Companies (Journal of Laws No. 55 Item 476, as amended).-----
3. The provisions of section 2 shall remain in force as long as half the shares in the Company are held by the State Treasury. -----
4. As long as more than 50 percent of the Company's share capital or 50 percent of the shares in the Company are held by the State Treasury or other state-owned legal persons, the rules for remunerating Management Board members and the amounts of their remuneration shall be established in consideration of the provisions of the Act of 9 June 2016 on the Rules for Remunerating Persons Managing Certain Companies (Journal of Laws of 2016 Item 1202). -----

5. One of the Management Board members shall be appointed by the Supervisory Board to the position of President of the Management Board and one or several others to the position of Vice-President of the Management Board. The provisions of this section shall remain in force regardless of the number of shares in the Company held by the State Treasury.-----
6. A Management Board Member shall submit his or her resignation to another Management Board Member or to the commercial proxy or, if this is impossible, to the Supervisory Board. The notice of resignation should be submitted in writing. The resigning Management Board Member shall inform the Supervisory Board Chairman of his/her resignation.-----

B. SUPERVISORY BOARD-----

§ 17

1. In addition to the matters laid down in separate provisions of law and the provisions of these Articles of Association, the specific powers of the Supervisory Board include:----
 - 1) assessment of the Management Board's report on the Company's activity and the activity of the capital group as well as the financial statements for the previous financial year and the consolidated financial statements of the capital group in terms of their compliance with the accounting ledgers and documents as well as with the actual state of affairs, and assessment of the Management Board's motion on the distribution of profit or the coverage of loss,-----
 - 2) submission of a written report to the General Meeting on the results of the activities referred to in item 1,-----
 - 3) preparation of reports in connection with the exercise of supervision over the performance of investments by the Management Board and supervision over the correct and effective spending of cash on investments, -----
 - 4) preparation, at least once per year, together with a report on the results of the assessment of the annual financial statements and the consolidated financial statements of the capital group, of an opinion of the Supervisory Board on the economic viability of the Company's capital exposure to other commercial companies effected in the relevant financial year, -----
 - 5) preparation and presentation, once per year, to the Annual General Meeting of a brief assessment of the Company's standing, including an evaluation of the internal control system and the system for managing risks of significant importance to the Company, -----
 - 6) review and presentation of opinions on issues forming the subject matter of resolutions to be adopted by the General Meeting,-----
 - 7) selection of an auditor to audit of the Company's financial statements, -----
 - 8) specification of the scope and deadlines for submission of annual/long-term material and financial plans, other long-term plans and strategies for the Company and its capital group by the Management Board, -----
 - 9) approval of strategies for the Company and its capital group, -----
 - 10) approval of annual/long-term material and financial plans and investment plans for the Company and its capital group, -----
 - 11) adoption of bylaws defining in detail the procedure of operation of the Supervisory

- Board, -----
- 12) approval of the Management Board bylaws, -----
 - 13) approval of the organizational bylaws for the Company's enterprise, -----
 - 14) approval of the rules for conducting the Company's sponsoring activity, -----
 - 15) granting consent to the Management Board for the following transactions: -----
 - a) the purchase of non-current assets, including in particular the purchase of a real property, a right of perpetual usufruct or share in a real property or share in a right of perpetual usufruct with a value in excess of PLN 10,000,000, but no more than PLN 40,000,000, -----
 - b) the disposal of a non-current asset, including in particular the disposal of a real property, a right of perpetual usufruct or a share in a real property or in a right of perpetual usufruct with a value in excess of PLN 10,000,000 but not greater than PLN 40,000,000, -----
 - c) the Company's execution of a material agreement with a related party, the value of which exceeds 10% of the company's equity, except for standard agreements entered into on an arm's length basis as part of the Company's operating activity with a subsidiary in which the Company holds a majority stake,-----
 - d) *the contracting of contingent liabilities, including the granting by the Company of financial guarantees and sureties the value of which exceeds PLN 10,000,000, except for contingent liabilities pertaining to subsidiaries, -----*
 - e) *issuing promissory notes with a value in excess of PLN 10,000,000, -----*
 - f) the Company's execution of an agreement with a value in excess of the Polish zloty equivalent of EUR 5,000 aimed at granting a donation or releasing the counterparty from debt or any other agreement unrelated to the Company's line of business specified in the Articles of Association. The equivalent of the amount referred to above shall be calculated according to the exchange rate announced by the National Bank of Poland on the date of the agreement,-----
 - g) disbursement of interim dividends,-----
 - h) subscribing for or acquiring shares in other companies with a total par value in excess of PLN 20,000,000, except where such subscription is effected in exchange for the Company's receivables as part of composition or settlement proceedings or where such shares are acquired on a regulated market,-----
 - i) disposing shares in other companies with a total par value in excess of PLN 20,000,000 and setting forth the conditions and procedures for such disposal, except for:
 - disposing shares traded on a regulated market,
 - disposing shares in cases of exposures where the Company's stake does not exceed 10% of the respective companies' share capital,
 - disposing shares subscribed for in exchange for the Company's receivables as part of composition or settlement proceedings.
 - j) investment undertakings pertaining to or associated with generation units or cogeneration units with a value in excess of EUR 50,000,000 or distribution grids with a value in excess of EUR 5,000,000 within the meaning of the Energy Law, executed or co-financed or secured by the Company or on the Company's assets,

- k) execution of or participation of the Company or ENERGA Group companies in strategic investment undertakings required to ensure or improve the energy security of the Republic of Poland.
- 16) setting the rules and amounts of remuneration for the President of the Management Board and Management Board members, subject to the mandatory provisions of law, -----
- 17) delegating members of the Supervisory Board to perform temporarily the duties of Management Board members who are at the time unable to perform their duties and setting their remuneration, provided that the total remuneration received by the delegated person for his or her performance of the function of a Supervisory Board member and his or her temporary performance of the duties of a Management Board member does not exceed the salary set in respect of the Management Board member being filled in for by the delegated member of the Supervisory Board, -----
- 18) granting consent for the establishment of the Company's branches abroad, -----
- 19) authorizing Management Board members to assume positions in corporate bodies of other companies and collecting resulting remuneration, -----
- 20) specifying the voting instructions for the Company at the general meetings of companies involved in generation, transmission or distribution of electricity in the following matters: -----
 - a) the incurring of contingent liabilities by such companies, -----
 - b) the contracting of loan agreements, -----
 - c) the establishment of collateral by such companies, including the establishment of security interests on their assets,
 - d) the contracting of other agreements or the adoption of general meeting resolutions pertaining or related to generation units, cogeneration units with a value in excess of EUR 50,000,000 or a distribution grid within the meaning of the Energy Law with a value in excess of EUR of 5,000,000, -----
- 21) specifying the Company's voting instructions for the general meetings of companies in which the Company holds shares with a total par value in excess of PLN 20,000,000 and which at the same time represent more than 50% of the share capital of such companies or the Company's subsidiaries within the meaning of the provisions of the Commercial Company Code, in the following matters: -----
 - a) the incurring of a liability, the establishment of a limited right in rem or the disposal of a right, including in particular the purchase of a real property, a right of perpetual usufruct or a share in a real property or in a right of perpetual usufruct with a value in excess of PLN 10,000,000, -----
 - b) the granting by the Company of financial guarantees and sureties the value of which exceeds PLN 10,000,000, -----
 - c) amending the company's articles of association or articles of partnership, -----
 - d) increasing or reducing the share capital, -----
 - e) a merger, split-up or transformation of the company, -----
 - f) the establishment by such company of another company or the subscription for, purchase or disposal by such company of shares in another company, -----
 - g) the disposal or lease of the Company's enterprise or an organized part thereof or the establishment of a limited right in rem thereon if their value is in excess

- of PLN 40,000,000, -----
- h) issuing bonds, -----
 - i) dissolution or liquidation of the company, -----
 - j) pertaining to generation units, cogeneration units with a value in excess of EUR 50,000,000 or distribution grids within the meaning of the Energy Law with a value in excess of EUR of 5,000,000. -----
2. The Company's Management Board shall:-----
- 1) provide the Supervisory Board with quarterly information on the investment projects referred to in section 1 item 15 (j), regardless of the progress of the relevant project, -----
 - 2) provide the Supervisory Board with information on the course of and decisions made at the general meeting in the matters referred to in section 1 item 20 and item 21 (j), -----
 - 3) provide the Supervisory Board, within two months of the adjournment of the general meeting of companies in which the Company holds shares approving the financial statements and the activity reports or the consolidated financial statements of capital groups and the activity reports of capital groups, with annual information on the execution of investment projects pertaining or related to a generation unit or a cogeneration unit with a value in excess of EUR 50,000,000 or a distribution grid with a value in excess of EUR 5,000,000. -----

§ 18

- 1. The Supervisory Board consists of 5 to 12 members. -----
- 2. Without prejudice to Section 3, Supervisory Board members are appointed and dismissed by the General Meeting. The number of Supervisory Board shall be specified by the General Meeting.
- 3. The shareholder referred to in § 33 has the personal power to appoint or dismiss Supervisory Board Members in accordance with the following rules:-----
 - 1) if the General Meeting specifies that the Supervisory Board must be composed of an even number of members – the empowered shareholder shall appoint half the Supervisory Board members plus one member; -----
 - 2) if the General Meeting specifies that the Supervisory Board must be composed of an odd number of members – the empowered shareholder shall appoint the number of Supervisory Board members resulting from (a) dividing the odd number of Supervisory Board members by two, and then (b) rounding up such quotient to the nearest integer so that the empowered shareholder has the absolute majority of votes in such Supervisory Board,-----
 - 3) appointing and dismissing Supervisory Board members shall be effected by way of a written statement submitted to the Management Board by the shareholder referred to in § 33. Such statement shall be considered submitted at the time of its delivery. -----
- 4. Supervisory Board members are appointed for a joint three-year term of office. -----
- 5. In the period during which the State Treasury is a shareholder in the Company, only persons who have passed the examination referred to in Article 12 Section 2 of the Commercialization and Privatization Act of 30 August 1996 (consolidated version:

Journal of Laws of 2016 Item 981) may be appointed to serve as Supervisory Board members representing the State Treasury. -----

6. In the period during which the Company is a public company, at least 2 Supervisory Board members appointed by the General Meeting, other than the Supervisory Board members designated by the State Treasury or the shareholder referred to in § 33, should meet the independence criteria assumed for independent Supervisory Board members as defined in § 23b section 2. -----
7. A Supervisory Board member shall submit his or her resignation to any of the Company's Management Board Members or commercial proxies. The notice of resignation should be submitted in writing. The resigning Supervisory Board Member shall inform the Supervisory Board Chairman of his/her resignation. -----

§ 19

1. The shareholder referred to in § 33 has the personal power to select, from among the Supervisory Board members appointed in accordance with § 18 section 3 of the Articles of Association, a Supervisory Board member to discharge the function of Chairman of the Supervisory Board. This power shall also apply also if the Supervisory Board has been elected by way of voting in separate groups in accordance with the procedure prescribed by Article 385 of the Commercial Company Code. The selection of the Chairman of the Supervisory Board shall be effected by way of a written statement submitted to the Management Board. Such statement shall be considered submitted at the time of its delivery. -----
2. The Supervisory Board shall appoint or dismiss from among its members the Deputy Chairperson and the Secretary of the Supervisory Board. The Deputy Chairperson and the Secretary of the Supervisory Board should be elected at the first meeting of the Supervisory Board of the new term of office. -----
3. Supervisory Board meetings shall be presided over by the Chairperson of the Supervisory Board or, in his or her absence, by the Deputy Chairperson of the Supervisory Board. -----
4. Representations addressed to the Supervisory Board shall be submitted to the Chairperson of the Supervisory Board or, if this is impossible or significantly hindered, to the Deputy Chairperson or the Secretary of the Supervisory Board.-----

§ 20

1. The Supervisory Board shall hold its meetings no less frequently than once per 2 months.-----
2. Supervisory Board meetings shall be convened by the Chairperson or other authorized Supervisory Board member together with the presentation of a detailed agenda. -----
3. A Supervisory Board meeting should be convened at the request of any Supervisory Board member or at the motion of the Management Board. -----
4. The first meeting of the Supervisory Board of a new term of office shall be convened by the Management Board. Such first meeting should be held within 30 days of the date of appointment of the Supervisory Board of a new term of office.-----

§ 21

1. To convene a Supervisory Board meeting, it is required to invite all Supervisory Board members at least 7 days before the date of the Supervisory Board meeting. For important reasons, the Chairperson of the Supervisory Board may shorten this period to 2 days while ensuring that the Supervisory Board members are informed of the of the accelerated date of the meeting via appropriate means of communication.-----
2. Such invitation to the Supervisory Board meeting shall specify the date, venue and agenda of the meeting. -----

§ 22

1. The Supervisory Board may adopt resolutions if at least one half of its members are present and if all the Supervisory Board members have been invited to the meeting.----
2. The Supervisory Board adopts resolutions in matters covered by the agenda. The agenda may be amended if all Supervisory Board members are present at the meeting and none of them objects to such amendment. -----
3. The Supervisory Board adopts its resolutions by an absolute majority of votes. In the event of a tie vote, the vote cast by the Chairperson of the Supervisory Board shall prevail. -----
4. The Supervisory Board adopts resolutions in an open ballot. -----
5. A secret ballot shall be ordered at the request of any Supervisory Board member and in personal matters. In the event of a secret ballot, the provisions of section 6 shall not apply. -----
6. The Supervisory Board may adopt resolutions by following a written procedure or via remote means of direct communication, including via e-mail, video conferences or conference calls. A resolution is valid if all members of the Supervisory Board have been notified of the wording of the draft resolution. -----
7. Resolutions adopted pursuant to the procedure set forth in section 6 shall be presented at the next Supervisory Board meeting together with the outcome of the vote. -----

§ 23

1. Supervisory Board members exercise their rights and perform their obligations in person.-----
2. Participation in Supervisory Board meetings is a duty of every member of the Supervisory Board. Justification of the absence of a member of the Supervisory Board requires the adoption of a resolution by the Supervisory Board.-----
3. Supervisory Board members are entitled to monthly remuneration in the amount set by the General Meeting. -----
4. The Company shall cover the costs incurred in connection with the performance of the functions entrusted to Supervisory Board members, in particular the costs of transportation to Supervisory Board meetings, the costs of exercise of personal oversight and the costs of accommodation and food. -----
5. Every Supervisory Board member is required to provide the Company's Management Board with information on any ties linking him or her with a shareholder in possession of a stake representing at least 5% of all votes at the General Meeting. This obligation concerns financial, family or other ties, which may affect the position of the relevant Supervisory Board member on issues to be decided on by the Supervisory Board. -----

*Text of the Articles of Association of ENERGA SA
as amended by the General Meeting of ENERGA SA in Resolutions adopted on 2016 , entered in the
National Court Register on 2016*

6. The Company, pursuant to a resolution adopted by the General Meeting, may insure members of the Supervisory Board against third party liability. -----

§ 23a

1. During the period when the Company's shares are traded on a regulated market of Giełda Papierów Wartościowych w Warszawie SA [the Warsaw Stock Exchange], the Supervisory Board shall elect an Audit Committee from among its members. -----
2. The Supervisory Board may appoint other standing or ad hoc committees. -----

§ 23b

1. Supervisory Board members may not perform activities which would collide with their duties or could arouse suspicion that they may be biased or self-interested.-----
2. During the period when the Company's shares are traded on a regulated market of Giełda Papierów Wartościowych w Warszawie SA [the Warsaw Stock Exchange], at least two Supervisory Board members should meet the independence criteria assumed for independent supervisory board members within the meaning of the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board (2005/162/EC) in consideration of the requirements set forth by the Best Practices of WSE Listed Companies (independent members of the Supervisory Board). -----
3. A candidate to be an independent member of the Supervisory Board shall submit to the Company, before his or her appointment to the Supervisory Board, a written representation on satisfying the independence criteria. In the event of the occurrence of circumstances causing failure to satisfy the prerequisites for independence, the relevant Supervisory Board member shall promptly inform the Company of such fact. Information about the then current number of independent Supervisory Board members shall be made public by the Company. -----
4. Without prejudice to § 18 section 3 above, in the event that, as a result of the expiration of the mandate of a Supervisory Board member, or in a situation in which at least 2 members of the Supervisory Board fail to meet the requirements set forth in section 2, the number of Supervisory Board members decreases, the Management Board shall immediately convene a General Meeting and place in its agenda an item concerning additions or changes to the composition of the Supervisory Board. Until changes are made to the composition of the Supervisory Board resulting in adjusting the number of independent members to the requirements set forth in the Articles of Association, the Supervisory Board and its members shall act in their then current composition and shall retain the capacity to hold meetings, adopt resolutions and perform all other legal and factual actions. -----

C. GENERAL MEETING -----

§ 24

1. General Meetings are held at the Company's registered office or in Warsaw. -----
2. The General Meeting shall be convened by the Company's Management Board: -----
 - 1) at its own initiative, -----
 - 2) at the written request of the Supervisory Board, -----
 - 3) at the written request of a shareholder or shareholders representing at least one twentieth of the share capital,-----
 - 4) at the written request of the State Treasury as long as the State Treasury remains a shareholder in the Company.-----

§ 25

1. Shareholders may participate in the General Meeting and exercise their voting rights in person or by proxy.-----
2. Proceedings of a General Meeting are broadcast in real time, while its audio or video recordings are posted on the Company's corporate website after the meeting ends. ----
3. The General Meeting is entitled to adopt the Bylaws of the General Meeting setting forth the detailed rules for the operation of this corporate body. -----

§ 26

1. The following matters, beyond the matters specified in separate provisions of law and these Articles of Association, require the adoption of a resolution by the General Meeting:-----
 - 1) the purchase of a real property, a right of perpetual usufruct or a share in a real property or in a right of perpetual usufruct with a value in excess of PLN 40,000,000,-----
 - 2) the purchase of non-current assets, excluding the purchase of a real property or a right of perpetual usufruct or the acquisition of and subscription for shares in other companies, with a value in excess of PLN 40,000,000, -----
 - 3) the disposal of non-current assets, including the disposal of a real property, a right of perpetual usufruct or a share in a real property or in a right of perpetual usufruct, excluding shares in other companies, with a value in excess of PLN 40,000,000, --
 - 4) the Company's execution of a loan, advance or surety agreement or another similar agreement with a member of the Management Board, a member of the Supervisory Board, a commercial proxy or a liquidator or in favor of any such person, -----
 - 5) the Company's acquisition of its treasury stock in the situation referred to in Article 362 § 1 Item 2 of the Commercial Company Code, -----
 - 6) the establishment, use or dissolution of the capital accounts or funds referred to in § 30 section 1 item 5 and section 2, created by way of a General Meeting resolution,-----
 - 7) changing the record date, setting the record date or spreading the payment of dividend into installments. -----

2. In the matters referred to in section 1, the Management Board should present to the General Meeting a written explanation of its position together with a written opinion of the Supervisory Board on each of such matters. -----

§ 27

1. Subject to section 6, the voting right of shareholders in possession, including as a usufructuary or a pledgee, of shares is hereby restricted in such manner that no such shareholder may exercise, at the Company's General Meeting, more than 10% of the total number of votes existing in the Company as at the day of the General Meeting. ---
2. The provisions of sections 1 and 3 are without prejudice to the requirements pertaining to the acquisition of significant blocks of shares in accordance with the provisions of the Act of 29 July 2005 on Public Offering and the Terms and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies. In a situation of determining the obligations of entities acquiring or intending to acquire significant blocks of shares, the provisions of section 1 and section 3 do not apply. ----
3. For the purposes of restricting the voting right, the votes of shareholders interconnected by a parent or subsidiary relationship within the meaning of:-----
 - 1) the provisions of the Commercial Company Code, or -----
 - 2) the provisions of the Act of 16 February 2007 on the Protection of Competition and Consumers, or-----
 - 3) the provisions of the Accounting Act of 29 September 1994, or-----
 - 4) the provisions of the Act of 22 September 2006 on transparency of financial relations between public authorities and public commercial entities and financial transparency of certain commercial entities, -----are treated cumulatively in such manner that the votes of such shareholders are totaled. -----
4. If, as a result of such cumulative treatment, a reduction in votes is required in accordance with the provisions of section 1 above, it shall be effected by a pro rata reduction in the number of votes of all the shareholders involved in the relationship referred to in section 3 by rounding down or up the fractional votes of the shareholder in possession of the largest stake. If such rounding is impossible due to the fact that two or more shareholders have the same number of votes, then the shareholder in respect of whom such operation is to be effected shall be selected by the Management Board on a random basis. Such reduction may not lead to any shareholder being entirely stripped of its voting right.-----
5. Each shareholder concerned shall notify the Management Board or the Chairperson of the General Meeting of the existence of the grounds referred to in sections 1 and 3 if such shareholder intends to participate in the General Meeting. -----
6. The provisions of sections 1-5 do not apply to shareholders who, on the date of adoption of the General Meeting resolution introducing the restrictions referred to in the foregoing sections (also if such restrictions are amended), i.e. on 22 August 2012, were entitled under shares representing more than 10% of the total number of votes at the General Meeting or shareholders acting in concert with them under agreements relating to the joint exercise of voting rights. -----

7. A person who has failed to exercise or has improperly executed the reporting duty referred to in section 5 above may, until the performance of such reporting duty, exercise the voting right only on one share; exercise of the voting right by such person on the remaining shares shall be ineffective. -----
8. Resolutions of the General Meeting in the following matters:-----
 - 1) introducing shares of different types, creating shares of a new type, -----
 - 2) changing the preference attached to shares, -----
 - 3) merging the Company by the formation of a new company or through acquisition by another company,-----
 - 4) splitting up the Company, except for splitting up by way of a spin-off,-----
 - 5) dissolving the Company or transferring its registered office or main establishment abroad, -----
 - 6) transforming the Company, -----
 - 7) decreasing the share capital by way of retirement of part of the shares unless such decrease takes place together with a simultaneous increase, -----
shall require a majority of four fifths of votes cast. -----
9. A resolution on a significant change in the Company's line of business may be adopted without buying back the shares held by shareholders opposing such change.-----

VI. COMPANY'S FINANCIAL MANAGEMENT -----

§ 28

The Company's financial year is the calendar year. -----

§ 29

The Company keeps its ledgers in accordance with International Accounting Standards and the applicable provisions of law.-----

§ 30

1. The Company creates the following capital accounts and funds: -----
 - 1) share capital,-----
 - 2) supplementary capital,-----
 - 3) revaluation reserve capital, -----
 - 4) reserve capital, -----
 - 5) other funds established by virtue of resolutions adopted by the General Meeting.----
2. The Company may establish or dissolve, by virtue of a General Meeting resolution, other capital accounts to cover specific losses or expenditures, at the beginning of, or during, the financial year. -----

§ 31

1. Profit may be earmarked by the General Meeting for payment of a dividend or for the Company's capital accounts, funds or other purposes in accordance with the rules set forth by the General Meeting.-----
2. The Company's Management Board is authorized to adopt a resolution on the distribution of an interim dividend to the shareholders if the Company has enough funds to make such disbursement. The disbursement of such interim dividend shall require the consent of the Supervisory Board. -----

§ 31a

The Company may issue bonds, including convertible bonds or bonds with a pre-emptive right.-----

VII. MISCELLANEOUS-----

§ 32

1. Whenever these Articles of Association refer to an amount denominated in Polish zloty, such amount should be construed as a net amount.-----
2. If the Company intends to execute a transaction denominated in a currency other than the Polish zloty, then in order to determine whether the execution of such transaction requires obtaining corporate approvals, the Management Board shall use the equivalent of such amount in Polish zloty converted at the average exchange rate of such currency to the Polish currency announced by the National Bank of Poland on the day preceding the request for approval of such transaction or on the day when the Management Board determines that such transaction does not require corporate approvals due to its value.-----

§ 33

1. The personal powers referred to in § 18 and § 19 of these Articles of Association shall be vested in the shareholder in possession of the largest stake in the Company's share capital as at the date of adoption of the General Meeting resolution granting such powers.-----
2. The personal powers referred to in § 18 and § 19 of these Articles of Association shall expire on the date on which the stake held by such empowered shareholder falls below 20%. -----