

## **ARTICLES OF ASSOCIATION**

### **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 A000000001 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 4,968,805,368 (four billion nine hundred sixty-eight million eight hundred five thousand three hundred sixty-eight Polish zloty) and is divided into 4,968,805,368 (four billion nine hundred sixty-eight million eight hundred five thousand three hundred sixty-eight) ordinary registered shares with a par value of PLN 1 (1 Polish zloty) each, consisting of:-----

- 1) 255,000 (two hundred fifty-five thousand) series A shares numbered from A 000000001 to A 000255000,-----
- 2) 4,845,611,133 (four billion eight hundred forty-five million six hundred eleven thousand one hundred thirty-three) series B shares numbered from B 0000000001 to B 04845611133,-----
- 3) 122,939,235 (one hundred twenty-two million nine hundred thirty-nine thousand two hundred thirty-five) series C shares numbered from C 0000000001 to C 0122939235. -

#### § 8

1. The shares may be registered or bearer shares.-----
2. Registered shares issued by the Company may be converted into bearer shares at the request of a Shareholder only if the Company intends to apply for admission and introduction of its securities or other financial instruments to trading on a regulated market.-----
3. Bearer shares issued by the Company may not be converted into registered shares, except for bearer shares converted in accordance with section 2, unless such shares have been dematerialized pursuant to the relevant provisions of law regulating the terms and conditions of public offerings of securities, subscriptions or sales of such securities and application for admission and introduction of securities or other financial instruments to trading on a regulated market.-----

#### § 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 State Treasury Minister is entitled to rights stemming from the Articles of Association and other regulations.-----
2. During the period when the State Treasury is a shareholder in the Company, the State Treasury is entitled to the following rights in particular:-----
  - 1) the right to receive information regarding the Company in the form of a quarterly report in accordance with the guidelines issued by the State Treasury Minister,-----
  - 2) the right to receive information on all material changes to the Company's financial or legal standing,-----
  - 3) the right to receive notifications of convening the Shareholder Meeting by registered letter with return receipt requested or courier even if the Shareholder Meeting is convened by way of an announcement in the *Monitor Sądowy i Gospodarczy*,-----
  - 4) the right to receive copies of all resolutions adopted by the Supervisory Board and minutes of Supervisory Board meetings at which: -----
    - a) the Company's annual activity is evaluated following the end of a financial year,-----
    - b) resolutions are adopted to appoint, dismiss or suspend members of the Management Board,-----
    - c) resolutions are adopted to delegate members of the Supervisory Board to perform temporarily the duties of Management Board members, -----
    - d) dissenting opinions to the adopted resolutions were filed, -----
  - 5) the right to receive copies of information provided to the minister in charge of public finance about any sureties or guarantees granted, pursuant to Article 34 of the Act of 8 May 1997 on Sureties and Guarantees Granted by the State Treasury and Certain Legal Persons (consolidated version: Journal of Laws of 2003 No. 174 Item 1689, as amended), -----
  - 6) the right to receive reports of the Supervisory Board prepared 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, including in particular on the acquisition of non-current assets,-----
  - 7) the right to receive, at least once per year, together with a report of the Supervisory Board on the results of assessment of the annual financial statements (consolidated financial statements of the capital group), an opinion of the Supervisory Board on the economic viability of the Company's capital exposure to other commercial companies, -----
  - 8) the right to receive copies of announcements subject to the duty of publication in the *Monitor Sądowy i Gospodarczy*, -----
  - 9) the right to receive complete sets of documents forming, pursuant to Article 395 § 2 of the Commercial Companies Code, the subject matter of the Ordinary Shareholder 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, -----
- 10) 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 Shareholder Meeting.-----

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

§ 12

Except for matters reserved for the authority of the Supervisory Board and the Shareholder Meeting under the provisions of these Articles of Association, the Management Board runs the Company's affairs and represents the Company in all in-court and out-of-court activities.-

§ 13

- 1. 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. Each Management Board member may conduct the Company's matters without a prior resolution adopted by the Management Board. If, however, before handling such matter, at least one of the remaining Management Board members objects to the conduct thereof or if such matter extends beyond the ordinary course of the Company's business, a prior Management Board resolution shall be required.-----
- 3. In particular, a Management Board resolution shall be required for: -----
  - 1) without prejudice to the subsequent items of this section, matters involving the disposal of a right or the incurring of a liability in excess of PLN 500,000,-----
  - 2) matters involving: -----

- a) the incurring of a contingent liability within the meaning of the Accounting Act of 29 September 1994 (consolidated version: Journal of Laws of 2001 No. 152 Item 1223, as amended),-----
- b) the granting of a guarantee or a surety or the issuance of a promissory note,--
- c) the granting of a donation, interest forgiveness or debt relief, -----
- d) the purchase or 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, -----
- e) the purchase of a non-current asset or the disposal of such assets with a value equal to or greater than the equivalent of PLN 1,000,000,-----
- 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) taking a loan or cash advance, -----
- 8) adopting the Company's annual material and financial plan, long-term plan or strategy,-----
- 9) establishing the rules for conducting the Company's sponsoring activity, -----
- 10) matters referred by the Management Board to the Supervisory Board or the Shareholder Meeting,-----
- 11) specifying the Company's position at the shareholder meeting of companies in which the Company holds shares or exercises rights attached to shares, -----
- 12) convening the Shareholder Meeting and accepting its agenda,-----
- 13) accepting the Management Board's activity report for the relevant financial period,
- 14) adopting the bylaws of a fund or capital account existing in the Company, -----
- 15) 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,-----
- 16) staffing management positions in the Company's organizational structure, -----
- 17) invalidating share certificates. -----
- 4. Management Board resolutions shall be adopted by an absolute majority of votes. If an equal number of votes are cast in a Management Board consisting of four or more persons, 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. His or her specific rights 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. The

Supervisory Board sets the number of Management Board members and the number of the 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 by the Supervisory Board. 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. -----
2. As long as more than half the shares in the Company are held by the State Treasury or other state-owned legal persons, 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. A Management Board member may at any time be dismissed by the Shareholder Meeting or the Supervisory Board or suspended by the Shareholder Meeting or, for important reasons, by the Supervisory Board.-----
4. A Management Board member shall submit his or her resignation to the Supervisory Board. The notice of resignation should be submitted in writing and, as long as the State Treasury is a shareholder in the Company, delivered to the attention of the State Treasury represented by the Minister in charge of the State Treasury. -----
5. 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 3 March 2000 on Remunerating Persons Managing Certain Legal Entities (Journal of Laws No. 26 Item 306, as amended).-----

**B. SUPERVISORY BOARD-----**

§ 17

In addition to the matters laid down in separate provisions of law and the remaining 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 (activity of the capital group) and the financial statements for the previous financial year (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 Shareholder 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, including in particular on the acquisition of non-current assets,-----

- 4) preparation, at least once per year, together with a report on the results of assessment of the annual financial statements (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 Ordinary Shareholder 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 Shareholder Meeting,-----
- 7) selection of an auditor to audit of the Company's financial statements,-----
- 8) specification of the scope and deadlines for submission of the Company's annual material and financial plans, long-term plans and strategies by the Management Board,
- 9) presentation of opinions on the Company's long-term plans and strategies,-----
- 10) approval of the Company's annual material and financial plans or annual and long-term plans for the Company's repair and investment activity,-----
- 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 a share in a real property or in a right of perpetual usufruct with a value in excess of PLN 5,000,000 but not greater than PLN 20,000,000,-----
  - 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 5,000,000 but not greater than PLN 20,000,000,-----
  - c) the Company's execution of a material agreement with a related party (within the meaning of the Regulation issued by the Finance Minister on 19 February 2009 on the Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent), 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 5,000,000, except for contingent liabilities pertaining to subsidiaries,-----
  - e) issuing promissory notes with a value in excess of PLN 5,000,000,-----
  - 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,-----
- 16) setting the amounts of remuneration for Management Board members and the rules for remunerating the President of the Management Board and the Management Board members and the amounts of their remuneration based on agreements for the provision of management services entered into by the Supervisory Board pursuant to the provisions of Article 3 Section 2 of the Act of 3 March 2000 on Remunerating Persons Managing Certain Legal Entities, 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) conducting a qualification procedure for the position of Management Board member,---
  - 19) granting consent for the establishment of the Company's branches abroad, -----
  - 20) authorizing Management Board members to assume positions in corporate bodies of other companies and collecting resulting remuneration, -----
  - 21) specifying voting instructions for the shareholder 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, in the following matters: -----
    - a) the purchase or disposal of non-current assets, including in particular the purchase or 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 5,000,000,
    - b) the contracting of contingent liabilities, including the granting by the Company of financial guarantees and sureties the value of which exceeds PLN 5,000,000, -----
    - 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 20,000,000,-----
- h) issuing bonds, -----
- i) dissolving or liquidating the company.-----

§ 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 Shareholder Meeting.-----
3. The State Treasury is authorized to appoint or dismiss one Supervisory Board member by submitting a written statement to that effect to the Management Board. Such statement shall be considered submitted at the time of its delivery. The right to appoint or dismiss a Supervisory Board member shall expire at the time when the State Treasury ceases to be a shareholder in the Company.-----
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 2002 No. 171 Item 1397, as amended) may be appointed to serve as Supervisory Board members representing the State Treasury. -----
6. A Supervisory Board member shall submit his or her resignation to the Company's Management Board. The notice of resignation should be submitted in writing and, as long as the State Treasury is a shareholder in the Company, delivered to the attention of the State Treasury represented by the Minister in charge of the State Treasury. -----

§ 19

1. At the first meeting, Supervisory Board members shall elect from among themselves the Chairperson, the Deputy Chairperson and the Secretary of the Supervisory Board. -
2. The Supervisory Board may dismiss the Chairperson, the Deputy Chairperson and the Secretary from their functions.-----
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 between its meetings shall be submitted to the Chairperson of the Supervisory Board or, if this is impossible, 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 two months.-----
2. 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. -----

- 3. Supervisory Board meetings shall be convened by the Chairperson or the Deputy Chairperson of the Supervisory Board together with the presentation of a detailed agenda.-----
- 4. A Supervisory Board meeting should be convened at the request of any Supervisory Board member or at the motion of the Management Board. -----

§ 21

- 1. To convene a Supervisory Board meeting, it is required to invite all Supervisory Board members at least seven days before the date of the Supervisory Board meeting. For important reasons, the Chairperson of the Supervisory Board may shorten this period to two days, specifying the manner of delivering the invitations. -----
- 2. Such invitation to the Supervisory Board meeting shall specify the date, venue and a detailed 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. 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 Shareholder 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 Shareholder 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.-----
6. The Company, pursuant to a resolution adopted by the Shareholder Meeting, may insure members of the Supervisory Board against third party liability. -----

§ 23a

1. The Supervisory Board may appoint an Audit Committee from among its members. ----
2. The Audit Committee shall be composed of at least 3 members, including at least one member fulfilling the independence criteria prescribed by law and holding accounting or financial audit qualifications. -----
3. If the Supervisory Board consists of no more than 5 members, the tasks of the Audit Committee shall be performed by members of the Supervisory Board. -----
4. The tasks of the Audit Committee include the following in particular:-----
  - 1) monitoring the financial reporting process, -----
  - 2) monitoring the effective operation of internal control, internal audit and risk management systems, -----
  - 3) monitoring the performance of financial audit activities,-----
  - 4) monitoring the independence of the auditor and the entity licensed to audit financial statements, including in the event of provision of the services referred to in Article 48 Section 2 of the Act of 7 May 2009 on Statutory Auditors and Their Self-Regulatory Body, Entities Licensed to Audit Financial Statements and Public Oversight (Journal of Laws No. 77 Item 649, as amended). -----
5. The Audit Committee shall recommend to the Supervisory Board an entity licensed to audit financial statements to conduct financial audit activities in the Company.

**C. SHAREHOLDER MEETING**-----

§ 24

1. Shareholder Meetings are held at the Company's registered office or in Warsaw. -----
2. The Shareholder 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

The Shareholder Meeting is entitled to adopt the Bylaws of the Shareholder 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 Shareholder 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 20,000,000,-----
  - 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 20,000,000, -----
  - 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 20,000,000, --
  - 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 Companies 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 Shareholder Meeting resolution,-----
  - 7) shifting of the dividend record date, indication of the dividend payable date or splitting of the dividend payment into installments subject to the deadline specified in § 31 section 2 of the Articles of Association. -----
2. In the matters referred to in section 1, the Management Board should present to the Shareholder Meeting a written explanation of its position together with a written opinion of the Supervisory Board on each of such matters. -----

§ 27

1. The voting right of shareholders in possession, including as a usufructuary or a pledgee, of shares representing more than 10% of the total number of votes at the Shareholder Meeting existing in the Company as at the day of the Shareholder Meeting, is hereby restricted subject to section 6.-----
2. The provision of section 1 is 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 Companies 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 of this paragraph, 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 or alphabetical 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 Shareholder Meeting of the existence of the grounds referred to in sections 1 and 3 if such shareholder intends to participate in the Shareholder Meeting. -----
6. The provisions of sections 1-5 do not apply to shareholders who, on the date of adoption of the Shareholder Meeting resolution introducing the restrictions referred to in the foregoing sections (also if such restrictions are amended), are entitled under shares representing more than 10% of the total number of votes at the Shareholder Meeting or shareholders acting together with them under agreements relating to the joint exercise of voting rights. -----
7. Resolutions of the Shareholder 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.-----
8. 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 the provisions of the Accounting Act. -----

§ 30

- 1. The Company creates the following capital accounts and funds: -----
  - 1) share capital, -----
  - 2) reserve capital, -----
  - 3) revaluation reserve capital, -----
  - 4) additional reserve capital, -----
  - 5) other funds established by virtue of resolutions adopted by the Shareholder Meeting. -----
- 2. The Company may establish or dissolve, by virtue of a Shareholder 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 Shareholder 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 Shareholder Meeting. -----
- 2. The dividend record date shall be the date of the Ordinary Shareholder Meeting for the relevant financial year; however, payment of the dividend shall be commenced not later than within two months from the dividend record date. -----
- 3. 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 an interim dividend shall require the consent of the Supervisory Board. The Company's payment of an interim dividend shall be contingent on the achievement and demonstration of profit in the Company's audited financial statements for the most recent financial year. Such interim dividend may represent no more than one half of the profit earned since the end of the previous financial year, as demonstrated in the audited financial statements, plus the reserve capital established from profit which the Management Board may use to pay an interim dividend minus uncovered losses and treasury stock. -----

**VII. MISCELLANEOUS**-----

§ 32

Whenever these Articles of Association refer to an amount denominated in Polish zloty, such amount should be construed as: -----

- 1) a net amount,-----
- 2) a PLN equivalent of such amount denominated in EUR, calculated on the basis of the average PLN/EUR exchange rate announced by the National Bank of Poland on the day preceding the performance of the activity in respect of which such amount is calculated.-----