

Gdańsk, 7 July 2014

**General Meeting
ENERGA Spółka Akcyjna****MOTION
OF THE MANAGEMENT BOARD OF ENERGA SPÓŁKA AKCYJNA**

The Management Board of ENERGA SA, acting pursuant to § 25 of the Articles of Association of ENERGA SA (the Company) and Article 430 § 1 of the Code of Commercial Companies, hereby puts forward a motion for:

- 1) changing the Articles of Association of the Company, as referred to in Appendix 1 to this motion, by registering changes to the valid content,
- 2) changing the By-Laws of the General Meeting of ENERGA SA, as referred to in Appendix 2 to this motion, by registering changes to the valid content.

JUSTIFICATION

In connection with the status of a stock exchange listed company obtained at the time of the Initial Public Offering and declarations made in the Prospectus of the Company, as approved by the Polish Financial Supervision Authority (PFSA) on 15 November 2013, it is necessary to adapt internal rules of the Company to the WSE requirements, as specified in the WSE Rules.

With its resolution No. 19/1307/2012 of 21 November 2012 the WSE Council adopted 'The Best Practices of WSE Listed Companies' (Corporate Governance Rules or Best Practices), published on the WSE's website (<http://corp-gov.gpw.pl>) and the Company's site in the 'For investors' tab.

According to the WSE Rules, issuers should apply the Corporate Governance Rules and submit reports describing which Rules are applied or not applied.

In order to ensure application of the Best Practices in a wider range, it is necessary to make the appropriate changes, inter alia, to the Articles of Association of the Company and By-Laws of the General Meeting. Also, organizational changes to the documents were proposed, to add detail to certain provisions of the Articles of Association and By-Laws of the General Meeting, which do not fully pertain to the Best Practices.

According to this motion, expansion of application of the Best Practices (to include transmission of the General Meeting of the Company in real time and posting the recording of the Meeting on the Company's website and functioning of the committees in the Supervisory Board) requires that the By-Laws of the Company be changed as follows:

- 1) the existing subparagraph 2 in § 23a:
 - '2. *The Audit Committee shall consist of at least three members, where at least one member should meet the independence requirements prescribed by the provisions of law, subject to the regulations referred to in § 23b.2, and have qualifications in accounting or financial auditing.*

shall read anew as follows:

- '2. *The Supervisory Board may appoint other standing or ad hoc committees.*'

The proposed amendment seeks to organize issues related to the functioning of standing and ad hoc committees in the Supervisory Board of the Company and to remove the provision which duplicates the provision of the By-Laws of that Committee, as approved by the Supervisory Board of the Company.

- 2) the following subparagraphs 3 - 5 in § 23a shall be removed:
 - '3. *If the Supervisory Board consists of not 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 shall be, in particular, to:*
 - 1) *monitor the financial reporting process,*
 - 2) *monitor the effectiveness of the internal control, internal audit and risk management systems,*
 - 3) *monitor performance of financial auditing activities,*
 - 4) *monitor the independence of the statutory auditor and the entity authorized to audit the financial statements, also if such entities provide services referred to in Article 48 (2) of the Act of 7 May 2009 on statutory auditors and their self-government, entities authorized to audit financial statements and public supervision (Journal of Laws No. 77, item 649, as amended).*
 5. *The Audit Committee recommends to the Supervisory Board the entity authorized to audit the financial statements in order to carry out the financial auditing activities with regard to the Company.*'

The purpose of this amendment is to organize issues related to the functioning of standing and ad hoc committees in the Supervisory Board of the Company. An element of these activities is to remove the specific provisions on the method of functioning of the Audit Committee, which replicate provisions of the By-Laws of the Committee, approved by the Supervisory Board of the Company. Therefore, we are proposing to remove subparagraphs 3-5 in § 23a of the Articles of Association of the Company. Also, subparagraph 1 of § 23a of the Articles of Association of the Company shall remain in its current wording, i.e.: *'When the Company's shares are traded on the regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A., the Supervisory Board shall appoint the Audit Committee out of its members.'*

- 3) in § 25 of the Articles of Association:
- a) the current wording of § 25 shall become subparagraph 3, in which the word 'By-Laws' shall be replaced by the 'of the By-Laws'
 - b) the following subparagraph 1 and subparagraph 2 shall be added:
 1. *Shareholders may participate in the General Meeting and exercise the right to vote in person or through authorized representatives.*
 2. *The proceedings of the General Meeting shall be transmitted in real time, and its audio or video recording shall be made available on the Company's website after the meeting.'*

The purpose of adding subparagraph 1 is to emphasize the powers conferred to the shareholders as referred to in Article 412 § 1 of the Code of Commercial Companies. Introduction of this provision is to confirm that the Company complies with one of the key rules – the method of exercising the voting rights.

The purpose of adding subparagraph 2 is to ensure the application of two rules listed in the Best Practices, i.e. Point II.1.9a (audio or video recording of the meeting on the company's website) and IV.10.1 (transmission of the meeting in real time).

Other changes to the Articles of Association of the Company are of organizational nature and include the following:

- 1) deletion of subparagraph 2 and subparagraph 3 in § 10, as follows:
 2. *When the Treasury is a shareholder of the Company, it is vested with the following rights, in particular:*
 - 1) *the right to obtain information about the Company in the form of a quarterly report, in accordance with instructions of the Minister of Treasury,*
 - 2) *the right to obtain information about any significant changes to the legal and financial situation of the Company,*
 - 3) *the right to be notified of the General Meeting being convened, by a registered letter with acknowledgment of receipt or by courier, even if the General Meeting is convened by means of a notice published in the Monitor Sądowy i Gospodarczy [Court and Economic Gazette],*
 - 4) *the right to receive copies of all the resolutions adopted by the Supervisory Board and the minutes of the meetings of the Supervisory Board during which:*
 - a) *an annual assessment of the Company's activities associated with ending of the financial year is carried out,*
 - b) *resolutions are adopted on the appointment, dismissal or suspension of members of the Management Board,*
 - c) *resolutions are adopted on delegating members of the Supervisory Board to temporarily perform duties of members of the Management Board,*
 - d) *opinions contrary to the adopted resolutions are submitted,*
 - 5) *the right to receive copies of information provided to the Minister competent for public finance as regards sureties and guarantees, pursuant to Article 34 of the Act of 8 May 1997 on guarantees and sureties granted by the Treasury and certain legal persons (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 implementation of investments and oversight by the Management Board over the correct and effective spending of cash on investments, in particular to purchase non-current assets,*

- 7) *the right to receive, at least once a year, together with the report of the Supervisory Board on results of the assessment of the annual financial statements (consolidated financial statements of the capital group), the opinion of the Supervisory Board on the economic viability of the Company's capital involvement in other commercial companies,*
 - 8) *the right to receive copies of the notices which must be compulsorily published in the Court and Economic Gazette,*
 - 9) *the right to receive sets of documents which in accordance with Article 395 § 2 of the Code of Commercial Companies are on the agenda of the Ordinary General Meeting, i.e.:*
 - a) *the financial statements (consolidated financial statements of the capital group),*
 - b) *report of the Management Board on the activities of the Company (report of the Management Board on the activities of the capital group) for the previous financial year,*
 - c) *opinion and report of the statutory auditor on the audit of the financial statements (consolidated financial statements of the capital group),*
 - d) *report of the Supervisory Board,*
 - e) *motion of the Management Board as regards distribution of profit and coverage of loss,*
 - 10) *the right to receive the uniform text of the Articles of Association within four weeks of the date changes to the Articles of Association are entered to the Register of Entrepreneurs.*
3. *On the date the shares of the Company are admitted to trading on the regulated market, subparagraph 2 shall be repealed.'*

and changing the number of subparagraph 4 to 2.

In connection with § 10.3 of the Articles of Association of the Company which provide that on the date of admission of the Company's shares to trading on the regulated market, § 10.2 pertaining to special powers of the Treasury Shareholder as regards, inter alia, obtaining certain information and documents is repealed and the provisions of this subparagraph are no longer valid.

- 2) removal of subparagraph 5 in § 16, which reads:

'5. Once the Treasury owns half or fewer of the shares in the Company, a Member of the Management Board may be:

 - 1) *revoked or suspended in their activities also by the General Meeting,*
 - 2) *suspended in their activities for important reasons by the Supervisory Board.'*

and changing numbers of subparagraphs 6 and 7 to 5 and 6 respectively.

We consider the provisions mentioned above unnecessary. Such a provision would be justified only if the Articles of Association contained limitations in this field, until the Treasury holds more than 50% of the number of shares, e.g. if during this period the right to dismiss or suspend Members of the Management Board would be ruled out by the General Meeting. Moreover, the provision is a repetition of competencies listed in Articles 368 and 383 of the Code of Commercial Companies. The same powers are granted to the Supervisory Board and the General Meeting also in a situation in which the Treasury holds more than 50% of the total number of shares of the Company.

- 3) changing point 20 subparagraph 1 in § 17, which currently reads:

- ‘20) *determination of the method of exercising voting rights by the representative of the Company at the meeting of shareholders or general meeting of companies whose core business is generation or transmission or distribution of electricity, in the following matters:*
- *incurring conditional liabilities by such companies,*
 - *conclusion of credit and loan agreements,*
 - *establishing of security by such companies, including security on their property,*
 - *concluding other agreements or adopting resolutions of the meeting of shareholders or general meeting of shareholders relating to or associated with the generating units, cogeneration units with the value exceeding EUR 50,000,000, or with the distribution network within the meaning of the Energy Law with the value exceeding EUR 5,000,000,”*

to read anew as follows:

- ‘20) *definition of the method of exercising voting rights by the Company at the meeting of shareholders or general meeting of companies whose core business is generation or transmission or distribution of electricity, in the following matters:*
- a) *incurring conditional liabilities by such companies,*
 - b) *conclusion of credit and loan agreements,*
 - c) *establishing of security by such companies, including security on their property,*
 - d) *concluding other agreements or adopting resolutions of the meeting of shareholders or general meeting of shareholders relating to or associated with the generating units, cogeneration units with the value exceeding EUR 50,000,000, or with the distribution network within the meaning of the Energy Law with the value exceeding EUR 5,000,000,’*

The proposed amendment seeks to organize (indents are replaced by letters) and clarify the current wording of this subparagraph. First of all, it needs to be clarified that ENERGA SA and not its representative is always the representative at the meetings of shareholders or general meetings of shareholders. A representative of the Company submits statements of will or knowledge in accordance with their power of attorney, but always in the name and on behalf of the Company.

- 4) in subparagraph 1.21 in § 17, replacing the word: ‘*determination*’ with the word ‘*definition*’ and deletion of the following phrase: ‘*or in which the Company is the parent entity as defined by the provisions of the Code of Commercial Companies.*’

The change is aimed at organizing and clarifying the existing provisions. First of all, removal of this phrase will simplify the practical application of subparagraph 1.21 in § 17 of the Articles of Association of the Company. The proposed amendment will clarify the provision so that its use will not cause doubts as to whether it relates to companies directly or indirectly dependent on ENERGA SA. There is no practical justification to keep the provision in its current wording.

- 5) changing point 1 subparagraph 2 in § 17, which currently reads:
- ‘1) *provide the Supervisory Board with quarterly information on the investment projects referred to in subparagraph 1.15.i regardless of the progress of the venture or the project,’*

to read anew as follows:

- '1) *provide the Supervisory Board with quarterly information on the activities which require the consent of the Supervisory Board referred to in subparagraph 1.15.i'.*

The proposed amendment seeks to organize and clarify the current wording of subparagraph 2.1. in §17 of the Articles of Association of the Company. Most of all, there were doubts relating to the practical application caused by the incorrect reference to subparagraph 1.15.i in § 17 of the Articles of Association, the provisions of which apply to the transfer of shares in other companies, and not investment projects. The proposed amendment was also submitted by the authorized representative of the Treasury Shareholder during the proceedings of the General Meeting of the Company on 17 February 2014. However, for formal reasons it could not have been put to a vote. As a result of making this change, quarterly information submitted to the Supervisory Board will include all the activities requiring the consent of that body as referred to in subparagraph 1.15.i (namely the transfer of shares in other companies with the total nominal value exceeding PLN 20,000,000 except as provided for by this subparagraph).

- 6) adding in subparagraph 6 in § 22 the phrase *'videoconference or teleconference'* after the word *'(e-mail)'*.

The change is designed to identify means of direct remote communications, i.e. videoconferencing and teleconferencing, as used by the Supervisory Board. This, however, does not limit the use of other means of communication not listed in this subparagraph.

- 7) adding subparagraph 8 in § 22 to read as follows:
'8. *Members of the Supervisory Board may participate in the adoption of resolutions at the proceedings of the Board by casting their vote in writing through another member of the Supervisory Board. Voting in writing shall not apply to matters introduced to the agenda at the meeting of the Supervisory Board.'*

The proposed amendment seeks to extend powers available to the members of the Supervisory Board. In accordance with Article 388 § 2 of the Code of Commercial Companies, this power may only be exercised when relevant provisions are introduced to the Articles of Association.

- 8) deleting the following phrase from subparagraph 1.7 in § 26: *'subject to the deadline specified in § 31.2 of the Articles of Association'*.

The proposed amendment seeks to organize and clarify the current wording of subparagraph 1.7. in § 26 of the Articles of Association of the Company. Most of all, there were doubts relating to the practical application caused by the reference to subparagraph 2 in § 31 of the Articles of Association, the provisions of which apply to powers of the Management Board of the Company to adopt a resolution on making an advance payment to the shareholders on account of the dividend expected at the end of the financial year. Such a structure led to doubts on the actual application of this provision. Following the adoption of the proposed amendment, issues relating to the advance payment that have been granted to the Management Board of the Company will be separated from the competencies of the General Meeting relating to the postponement of the dividend date or distribution of the dividend to instalments.

Draft Resolutions of the General Meeting which reflect the changes described above are attached to this motion.

Following the actions described above it is necessary to make changes to the By-Laws of the General Meeting of ENERGA SA. The most important of these relate to the introduction of:

- 1) transmission of the proceedings of the General Meeting in real time - § 11.1 of the By-Laws,
- 2) the obligation to make available the recording of the proceedings of the General Meeting on the Company's website - § 11.2 of the By-Laws,
- 3) possible presence of media representatives at the General Meeting - without voting rights - subparagraph 1.5.f in § 2 of the By-Laws.

The draft Resolution of the General Meeting which takes into account the proposed changes to the By-Laws of the General Meeting is attached as Appendix 4 to this motion.

Appendices:

1. Articles of Association of ENERGA SA (with proposed changes).
2. By-Laws of the General Meeting of ENERGA Spółka Akcyjna with its registered office in Gdańsk (with proposed changes).
3. Draft Resolutions of the General Meeting of ENERGA SA on changing the Articles of Association of ENERGA SA.
4. Draft Resolution of the General Meeting of ENERGA SA on changing the By-Laws of the General Meeting of ENERGA SA.

The Management Board of ENERGA SA

Mirosław Bieliński *[illegible signature]*

Roman Szyszko *[illegible signature]*

Wojciech Topolnicki *[illegible signature]*

The draft uniform text of the Company's Articles of Association which takes account of the amendments thereto

ARTICLES OF ASSOCIATION

I. GENERAL PROVISIONS

§ 1

1. The Company carries on its activities under the trading name of: ENERGA Spółka Akcyjna.
2. The Company may use the abbreviated business name of: ENERGA SA and its distinctive logo.

§ 2

The Company shall have its registered office in Gdańsk.

§ 3

1. The Company shall carry on business in the territory of the Republic of Poland and abroad.
2. The Company may establish and operate branches, plants, offices, agencies and other entities and may also participate in other companies and projects in the territory of the Republic of Poland and abroad.
3. The Company may be a member of national and international associations.

§ 4

The Company has been established for an unlimited period.

II. SUBJECT OF ACTIVITIES OF THE COMPANY

§ 5

According to the Polish Classification of Activities, the Company's business activities are:

- 1) Activities of financial holding companies (64.20.Z),
- 2) Activities of head offices; management advisory (70),
- 3) Manufacture of electric motors, generators, transformers, switchgear and electricity control gear (27.1),
- 4) Manufacture of insulated wires and cables and installation equipment (27.3),
- 5) Manufacture of electric lighting equipment (27.40.Z),
- 6) Manufacture of other electrical equipment (27.90.Z),
- 7) Generation, transmission, distribution and trading of electricity (35.1),
- 8) Production and supply of steam, hot water and air for air-conditioning systems (35.30.Z),
- 9) Works related to construction of marine engineering structures (42.91.Z),
- 10) Wholesale of tools for information technology and communication technology (46.5),
- 11) Wholesale of other office machinery and equipment (46.66.Z),
- 12) Wholesale of other machinery and equipment (46.69.Z),
- 13) Accommodation (55),
- 14) Services related to catering (56),
- 15) Telecommunication (61),
- 16) Activities related to software and advice on information technology and related activities (62.0),
- 17) Data processing; webpage hosting and similar activities; activities of websites (63.1),
- 18) Other services in the field of information, not classified elsewhere (63.99.Z)
- 19) Activities of trusts, funds and similar financial institutions (64.30.Z)
- 20) Other financial services, except insurance and pension funds (64.9),

- 21) Other activities auxiliary to financial services, except insurance and pension funds (66.1),
- 22) Real property market services (68),
- 23) Accounting and book-keeping activities, tax advisory (69.20.Z),
- 24) Engineering activities and related technical consultancy (71.12.Z),
- 25) Activities of advertising agencies (73.11.Z),
- 26) Other professional, scientific and technical activities, not classified elsewhere (74.90.Z),
- 27) Renting and leasing of recreational and sports equipment (77.21.Z),
- 28) Leasing of intellectual property and similar products, except copyrighted works (77.40.Z),
- 29) Activities related to job-seeking and recruitment (78.10.Z),
- 30) Other activities related to personnel supply (78.30.Z),
- 31) Activities of facilities designed to improve physical fitness (93.13.Z)
- 32) Other entertainment and recreational activities (93.29.Z)
- 33) Repair and maintenance of computers and peripheral devices (95.11.Z),
- 34) Service activities related to improvement of physical fitness (96.04.Z),
- 35) Publishing of books, periodicals and other publishing activities, with the exception of software (58.1).

III. EQUITY

§ 6

1. The share capital of the Company, in the amount specified in the By-Laws of the Company adopted upon incorporation (PLN 500,000.00) has been paid in full with cash contributions, made prior to the registration of the Company.
2. Founders of the Company were:
 - 1) The Treasury, which took up 255,000 (say: two hundred fifty five thousand) registered shares with the total nominal value of PLN 255,000 (say zlotys: two hundred fifty five thousand), i.e. series A shares **Nos. A000000001 to A 000255000**,
 - 2) Koncern Energetyczny ENERGA SA, which took up 160,000 (say: one hundred sixty thousand) registered shares with the total nominal value of PLN 160,000.00 (say zlotys: one hundred sixty thousand) i.e. series A shares **Nos. A 000255001 to A 000415000**,
 - 3) Zespół Elektrowni Ostrołęka S.A., which took up 85,000 (say: eighty five thousand) registered shares with the total nominal value of PLN 85,000.00 (say zlotys: eighty five thousand) i.e. series A shares **Nos. A 000415001 to A 000500000**.

§ 7

The share capital of the Company is PLN 4,521,612,884.88 (say: four billion five hundred twenty one million six hundred twelve thousand eight hundred eighty four zlotys and eighty eight grosz) and is divided to 414,067,114 (say: four hundred fourteen million sixty seven thousand one hundred and fourteen) shares with the nominal value of PLN 10.92 (say: ten zlotys ninety two grosz) each, namely registered shares:

- 1) of series AA in the amount of 269,139,114 (two hundred sixty nine million one hundred thirty nine thousand one hundred and fourteen) Nos. AA 00000001 to AA 269139114, which are ordinary shares and
- 2) series BB in the amount of 144,928,000 (one hundred forty four million nine hundred twenty eight thousand) Nos. BB 00000001 to BB 144928000, which are preference shares in terms of voting at the General Meeting, where one preference share gives the right to 2 (say: two) votes at the General Meeting.

§ 8

1. Shares may be registered or bearer shares.

2. Registered shares to be dematerialized in accordance with provisions of the Act of 29 July 2005 on trading in financial instruments, shall become bearer shares at the time of dematerialization.
3. Conversion of bearer shares to registered shares is not allowed.
4. Shares may be placed in the deposit of the Company or the deposit maintained by another entity on behalf of the Company.

§ 9

The shares may be redeemed upon the consent of a shareholder through their acquisition by the Company (voluntary redemption).

IV. RIGHTS AND OBLIGATIONS OF THE SHAREHOLDER

§ 10

1. The Treasury Shareholder, represented by the Minister of Treasury, shall be entitled to rights arising out of the By-Laws and other regulations.
- ~~2. When the Treasury is a shareholder of the Company, it is vested with the following rights, in particular:
 - 1) the right to obtain information about the Company in the form of a quarterly report, in accordance with instructions of the Minister of Treasury;
 - 2) the right to obtain information about any significant changes to the legal and financial situation of the Company;
 - 3) the right to be notified of the General Meeting of Shareholders being convened, by a registered letter with acknowledgment of receipt or by courier, even if the General Meeting of Shareholders is convened by means of a notice published in the Court and Economic Gazette (Monitor Sądowy i Gospodarczy);
 - 4) the right to receive copies of all the resolutions adopted by the Supervisory Board and the minutes of the meetings of the Supervisory Board during which:
 - a) an annual assessment of the Company's activities associated with ending of the financial year is carried out;
 - b) resolutions are adopted on the appointment, dismissal or suspension of members of the Management Board;
 - c) resolutions are adopted on delegating members of the Supervisory Board to temporarily perform duties of members of the Management Board;
 - d) opinions contrary to the adopted resolutions are submitted;
 - 5) the right to receive copies of information provided to the Minister competent for public finance as regards sureties and guarantees, pursuant to Article 34 of the Act of 8 May 1997 on guarantees and sureties granted by the Treasury and certain legal persons (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 implementation of investments and oversight by the Management Board over the correct and effective spending of cash on investments, in particular to purchase non-current assets;
 - 7) the right to receive, at least once a year, together with the report of the Supervisory Board on results of the assessment of the annual financial statements (consolidated financial statements of the capital group), the opinion of the Supervisory Board on the economic viability of the Company's capital involvement in other commercial companies;
 - 8) the right to receive copies of the notices which must be compulsorily published in the Court and Economic Gazette;
 - 9) the right to receive sets of documents, which in accordance with Article 395 § 2 of the Code of Commercial Companies are on the agenda of the Ordinary General Meeting of Shareholders, i.e.:
 - a) the financial statements (consolidated financial statements of the capital group);~~

- ~~b) report of the Management Board on the activities of the Company (report of the Management Board on the activities of the capital group) for the previous financial year,~~
 - ~~c) opinion and report of the statutory auditor on the audit of the financial statements (consolidated financial statements of the capital group),~~
 - ~~d) report of the Supervisory Board,~~
 - ~~e) motion of the Management Board as regards distribution of profit and coverage of loss,~~
 - ~~10) the right to receive the consolidated text of the By-Laws within four weeks of the date changes to the By-Laws are entered to the Register of Entrepreneurs.~~
- ~~3. On the date the shares of the Company are admitted to trading on the regulated market, subparagraph 2 shall be repealed.~~
- 4.2. On the admission of the Company's shares to trading on the regulated market, the shareholder who on the day of adoption of the resolution of the General Meeting which confers the powers referred to in this paragraph represents the highest share in the share capital of the Company shall have the following rights:
- 1) the right to obtain information about the Company and the capital group of the Company in the form of a quarterly report, in accordance with instructions of the Minister of Treasury [subject to the relevant provisions regarding the disclosure of confidential information],
 - 2) the right to receive copies of the notices which must be compulsorily published in the *Monitor Sądowy i Gospodarczy* [Court and Economic Gazette],
 - 3) the right to receive sets of documents, which in accordance with Article 395 § 2 of the Code of Commercial Companies are on the agenda of the Ordinary General Meeting, i.e.:
 - a) the financial statements (consolidated financial statements of the capital group),
 - b) report of the Management Board on the activities of the Company (report of the Management Board on the activities of the capital group) for the previous financial year,
 - c) opinion and report of the statutory auditor on the audit of the financial statements (consolidated financial statements of the capital group),
 - d) report of the Supervisory Board,
 - e) motion of the Management Board as regards distribution of profit and coverage of loss,
 - 4) the right to receive the consolidated text of the By-Laws within four weeks of the date changes to the By-Laws are entered to the Register of Entrepreneurs.

V. GOVERNING BODIES

§ 11

The governing bodies of the Company are:

- 1) the Management Board,
- 2) the Supervisory Board,
- 3) the General Meeting of Shareholders.

A. MANAGEMENT BOARD OF THE COMPANY

§ 12

Subject to provisions of the Act and provisions of the By-Laws, the Management Board shall be responsible for affairs of the Company and shall represent the Company.

§ 13

Cooperation of two Members of the Management Board or one Member of the Management Board and a proxy shall be required to make statements on behalf of the Company.

§ 14

1. Each Member of the Management Board shall have the right and duty to manage the affairs of the Company.
2. Subject to subparagraph 3 below, each Member of the Management Board may conduct affairs of the Company within the scope of its powers as defined in the By-Laws of the Management Board, without a prior resolution of the Management Board. If, however, before dealing with such an affair at least one of the remaining Members of the Management Board objects to the conduct of such an affair, a resolution of the Management Board shall be required.
3. Resolutions of the Management Board shall always be required for following matters of the Company:
 - 1) matters relating to:
 - a) granting the guarantees, sureties and issue of a bill of exchange,
 - b) making donations, redemption of interest and release of debt,
 - c) acquisition, establishment of a limited property right or management of property or perpetual usufruct and the share in the property or perpetual usufruct,
 - d) taking out a loan or advance,
 - 2) other matters relating to exercise of a right or incurring of an obligation worth in excess of PLN 1,000,000, not covered by other points of this subparagraph,
 - 3) adoption of the Rules of the Management Board,
 - 4) adoption of the organizational rules of the enterprise of the Company,
 - 5) creation and liquidation of a branch,
 - 6) granting the general power of attorney,
 - 7) adoption of the annual or multi-annual material and financial plan, another long-term plan or strategy of the Company or of its capital group,
 - 8) establishment of rules of sponsorship business carried out by the Company,
 - 9) matters the review of which is requested by the Management Board from the Supervisory Board or the General Meeting,
 - 10) determination of the method of exercising the voting rights at the general meeting or general meeting of shareholders of companies in which the Company holds shares or in which it exercises the rights in shares,
 - 11) convening the General Meeting and adoption of the agenda,
 - 12) adoption of the report of the Management Board on the activities of the Company and on the activities of the capital group and the financial statements and consolidated financial statements of the capital group for the past financial year,
 - 13) adoption of the Rules for the fund or equity functioning in the Company,
 - 14) taking up or purchase of shares in another company by the Company for the debts of the Company under the settlement or arrangement procedures and their subsequent disposal,
 - 15) appointment of staff to managerial positions in the organizational structure of the Company,
 - 16) cancellation of a share document.
4. Resolutions by the Management Board shall be adopted by the absolute majority of votes. Where there is the same number of votes for and against, the President of the Management Board casts the deciding vote.
5. The organization and operation of the Management Board, including the detailed procedure for adopting resolutions, shall be determined in the By-Laws of the Management Board approved by the Supervisory Board.
6. The work of the Management Board is headed by the President of the Management Board. The powers of the President in this field shall be determined by the By-Laws of the Management Board.

§ 15

1. The Management Board of the Company shall consist of 1 to 5 persons, including the President and one or more Vice-Presidents.

2. Members of the Management Board shall be appointed for a joint three-year term of office.

§ 16

1. Members of the Management Board shall be appointed and dismissed by the Supervisory Board.
2. Members of the Management Board shall be appointed by the Supervisory Board after the qualification procedure, pursuant to the Regulation of the Council of Ministers of 18 March 2003 on the conduct of qualification proceedings for the position of a member of the management board in certain commercial companies (Journal of Laws No. 55, item 476, as amended).
3. Provisions of subparagraph 2 shall be valid as long as half of the shares in the Company belongs to the Treasury.
4. As long as more than 50% of the share capital of the Company or 50% of the Company's shares belong to the Treasury or other public legal persons, the rules and amount of remuneration of the Members of the Management Board shall be determined having regard to the provisions of the Act of 3 March 2000 on the remuneration of persons who manage certain legal entities (Journal of Laws of 2013, item 254, uniform text).
- ~~5. Once the Treasury owns half or fewer of the shares in the Company, a Member of the Management Board may be:
 - ~~1) revoked or suspended in their activities also by the General Meeting of Shareholders,~~
 - ~~2) suspended in their activities for important reasons by the Supervisory Board.~~~~
- ~~6.5.~~ The Supervisory Board shall appoint one of the Members of the Management Board the President, and one or more of them – the Vice-President. Provisions of this subparagraph shall apply regardless of the number of shares in the Company held by the Treasury.
- ~~7.6.~~ A Member of the Management Board shall submit resignation from their function to the Supervisory Board. The statement of resignation should be submitted in writing.

B. SUPERVISORY BOARD

§ 17

1. In addition to the matters specified in separate provisions of law and provisions of these By-Laws, the powers of the Supervisory Board shall include:
 - 1) review of reports of the Management Board on the activities of the Company and activities of the capital group and the financial statements for the previous financial year and the consolidated financial statements of the capital group in terms of their compliance with the books and documents, as well as the facts, and review of the motion of the Management Board on the distribution of profit or covering of loss,
 - 2) submitting a written report on the results of the activities referred to in point 1 to the General Meeting,
 - 3) preparing the reports in connection with the exercise of supervision over implementation of investments and oversight by the Management Board over the correct and effective spending of cash on investments,
 - 4) preparing, at least once a year, along with a report on the results of review of the annual financial statements and consolidated financial statements of the capital group, an opinion of the Supervisory Board on the economic viability of capital exposure of the Company in other commercial companies, made in a given financial year,
 - 5) preparing and submitting, once a year, to the Ordinary General Meeting with a brief review of the Company's situation, taking into consideration evaluation of the systems of internal control and management of risk essential for the Company,
 - 6) reviewing and providing opinions on matters which may be the subject of resolutions of the General Meeting,
 - 7) appointment of a statutory auditor to audit the financial statements,

- 8) determination of the scope and dates of submission of annual/long-term material and financial plans, other long-term plans and strategies of the Company and of its capital group by the Management Board,
- 9) approval of the strategy of the Company and of its capital group,
- 10) approval of the annual/long-term material and financial plans, as well as plans of investment activities of the Company and of its capital group,
- 11) adopting the By-Laws which define in detail the operating procedures of the Supervisory Board,
- 12) approval of the By-Laws of the Management Board of the Company,
- 13) approval of the organizational rules of the enterprise of the Company,
- 14) approval of the rules of sponsorship business carried out by the Company,
- 15) granting the permission to the Management Board to:
 - a) purchase fixed assets, in particular, purchase real property, perpetual usufruct, shares in real property or shares in perpetual usufruct of a value exceeding PLN 5,000,000 and not exceeding PLN 20,000,000,
 - b) sell a fixed asset, in particular sell real property, perpetual usufruct, share in real property or share in perpetual usufruct of a value exceeding PLN 5,000,000 and not exceeding PLN 20,000,000,
 - c) conclude a material agreement by the Company with a related party (as defined by the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognizing information required by laws of a non-Member State as equivalent), with the exception of typical agreements concluded on market terms in the course of operating business by the Company with a subsidiary in which the Company holds a majority stake,
 - d) incur contingent liabilities, which includes granting by the Company of financial guarantees and security with a value in excess of PLN 5,000,000, with the exception of contingent liabilities relating to subsidiaries,
 - e) issue bills of exchange with a value in excess of PLN 5,000,000,
 - f) conclude a contract by the Company with a value exceeding Polish zlotys equivalent of EUR 5,000, the intention of which is donation or release from debt and another contracts not related to the subject of economic activities of the Company as defined in the By-Laws. The equivalent of the said amount shall be calculated at the exchange rate announced by the National Bank of Poland on the date the contract is concluded,
 - g) make an advance payment towards an expected dividend,
 - h) take up or purchase shares in other companies with a total nominal value exceeding PLN 20,000,000, except when the shares are taken up in exchange for receivables of the Company in the course of settlement or arrangement proceedings, or when the shares are purchased on a regulated market,
 - i) transfer the shares in other companies with a total nominal value exceeding PLN 20,000,000 and specify the terms and conditions and procedures for their transfer, except for:
 - the transfer of shares traded on a regulated market,
 - the transfer of shares that the Company owns in the amount not exceeding 10% of the share capital of each company,
 - the transfer of shares taken up in return for receivables of the Company in the course of settlement or arrangement proceedings.
- 16) defining the rules and amount of remuneration of the President and Members of the Management Board, subject to the governing provisions of law,
- 17) delegation of members of the Supervisory Board to temporarily perform the duties of Members of the Management Board who are not able to perform their duties and fixing of their remuneration, provided that the total remuneration received by a person delegated a member of the Supervisory Board and for delegation to temporarily perform the duties of a Member of the Management Board may not exceed the remuneration fixed for Member of the Management Board in place of whom the member of the Supervisory Board is delegated,
- 18) granting consent to establish branches of the Company abroad,

- 19) granting consent to members of the Management Board to take positions in bodies of other companies and to collect remuneration in connection therewith,
 - 20) ~~determination definition of~~ the method of exercising voting rights by the ~~representative of the Company~~ Company at the meeting of shareholders or general meeting of shareholders of companies whose core business is generation or transmission or distribution of electricity, in the following matters:
 - ~~-a)~~ incurring conditional liabilities by such companies,
 - ~~-b)~~ conclusion of credit and loan agreements,
 - ~~-c)~~ establishing of security by such companies, including security on their property,
 - ~~-d)~~ concluding other agreements or adopting resolutions of the meeting of shareholders or general meeting of shareholders relating to or associated with the generating units, cogeneration units with a value exceeding EUR 50,000,000, or with the distribution network within the meaning of the Energy Law of the value exceeding EUR 5,000,000,
 - 21) ~~determination definition of~~ the method used by the Company to exercise the voting right at the general meeting or the general meeting of shareholders of companies in which the Company holds shares with a total nominal value exceeding PLN 20,000,000, which simultaneously represent more than 50% of the share capital of such companies ~~or in which the Company is the parent company under the provisions of the Code of Commercial Companies~~, in the following matters:
 - a) incurring a liability, establishment of a limited property right or exercise of the right, including, in particular, buying or selling of real property, perpetual usufruct or shares in real property or in perpetual usufruct with a value exceeding PLN 5,000,000,
 - b) granting by the Company of financial guarantees and security with a value in excess of PLN 5,000,000,
 - c) changing the By-Laws or Articles of Association,
 - d) increasing or reducing the share capital,
 - e) merger, division or transformation of the company,
 - f) incorporation by such a company of another company and taking up, buying or selling shares in another company by such a company,
 - g) disposing of and leasing the enterprise of the Company or its organized part and establishing a limited property right on the enterprise or its part if their value exceeds PLN 20,000,000;
 - h) issue of bonds,
 - i) dissolution and winding up the company,
 - j) relating to the generation units, cogeneration units with a value in excess of EUR 50,000,000 or distribution networks with a value in excess of EUR 5,000,000 within the meaning of the Energy Law.
2. The Management Board of the Company shall:
- 1) ~~provide the Supervisory Board with quarterly information on the investment projects referred to in subparagraph 1.15.i regardless of the progress of the venture or the project~~ provide the Supervisory Board with quarterly information on the activities which require the consent of the Supervisory Board referred to in subparagraph 1.15.i.
 - 2) provide the Supervisory Board with information concerning the progress and decisions taken at the general meeting or general meeting of shareholders as regards matters referred to in subparagraph 1 point 20 and point 21.j,
 - 3) provide the Supervisory Board within two months after the end of the general meeting/general meeting of shareholders of companies in which the Company holds shares, which approves financial statements and reports on the activities of the companies or consolidated financial statements of capital groups and reports on the activities of capital groups, with annual information regarding implementation of investment projects relating to or connected with the generation unit, cogeneration unit with a value exceeding EUR 50,000,000, or a distribution network with a value exceeding EUR 5,000,000.

1. The Supervisory Board shall consist of 5 to 12 members.
2. Members of the Supervisory Board shall be appointed and dismissed by the General Meeting of Shareholders, subject to subparagraph 3. The number of members of the Supervisory Board shall be determined by the General Meeting.
3. The shareholder referred to in § 33 shall have the personal right to appoint and dismiss members of the Supervisory Board, as follows:
 - 1) if the General Meeting determines that the Supervisory Board is composed of an even number of members of the Supervisory Board – the authorized shareholder shall appoint half the members of the Supervisory Board plus one member of the Supervisory Board;
 - 2) if the General Meeting determines that the Supervisory Board is composed of an odd number of members of the Supervisory Board – the authorized shareholder shall appoint such a number of members of the Supervisory Board, which is the product of (a) division of an odd number of members of the Supervisory Board by two; and then (b) rounded up to the nearest integer so that the authorized shareholder has the absolute number of votes in the Supervisory Board,
 - 3) appointing and dismissing of members of the Supervisory Board shall take place by means of a written statement of the shareholder referred to in § 33, filed to the Management Board. The statement shall be deemed filed upon its delivery.
4. Members of the Supervisory Board shall be appointed for a joint three-year term of office.
5. In the period in which the Treasury is a shareholder of the Company, only persons who pass the examination referred to in Article 12 (2) of the Act on commercialisation and privatisation of 30 August 1996 (consolidated text, Journal of Laws of 2013, item 216) may be appointed to serve as members of the Supervisory Board, as representatives of the Treasury.
6. In the period in which the Company is a public company, at least 2 members of the Supervisory Board appointed by the General Meeting other than the persons appointed by the Treasury or the shareholder referred to in § 33, should meet the independence criteria provided for an independent member of the Supervisory Board, as defined in § 23b.2.
7. A Member of the Supervisory Board shall submit their resignation to the Management Board of the Company. The statement of resignation should be submitted in writing.

§ 19

1. The Shareholder referred to in § 33 shall have the personal right to appoint, out of members of the Supervisory Board appointed in accordance with § 18.3 of the Articles of Association, a member who shall act as the Chairman of the Supervisory Board. This right also applies if the Supervisory Board is elected by voting in separate groups in accordance with Article 385 of the Code of Commercial Companies. The Chairman of the Supervisory Board shall be appointed by way of a written statement filed with the Management Board. The statement shall be deemed filed upon its delivery.
2. The Supervisory Board shall appoint and dismiss the Vice-Chairman and the Secretary of the Supervisory Board. Appointment of the Vice-Chairman and Secretary of the Supervisory Board should take place at the first meeting of the Supervisory Board of the new term of office.
3. Meetings of the Supervisory Board shall be conducted by the Chairman, or in his absence, the Vice-Chairman.
4. Statements addressed to the Supervisory Board shall be submitted to the Chairman of the Supervisory Board, and when it is impossible or very difficult, to the Vice-Chairman or the Secretary.

§ 20

1. The Supervisory Board shall meet at least once every 2 months.
2. Meetings of the Supervisory Board shall be convened by the Chairman of the Supervisory Board or another authorized member of the Supervisory Board, presenting a detailed agenda.

3. A meeting of the Supervisory Board should be convened at the request of any member of the Supervisory Board or at the request 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. The first meeting should take place within 30 days from the date of appointment of the Supervisory Board of the new term of office.

§ 21

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

§ 22

1. The Supervisory Board adopts resolutions if the meeting is attended by at least half of its members, and all members have been invited to the meeting.
2. The Supervisory Board adopts resolutions on issues included on the agenda. The agenda may be changed if the meeting is attended by all members of the Supervisory Board, and no one objects to the change.
3. Resolutions of the Supervisory Board are adopted by the absolute majority of votes. In case of equality of votes, the vote of the Chairman of the Supervisory Board shall be decisive.
4. The Supervisory Board shall adopt resolutions in an open voting.
5. Voting by secret ballot shall be administered at the request of a member of the Supervisory Board and in personal matters. In the case of a secret ballot, provisions of subparagraph 6 shall not apply.
6. The Supervisory Board may adopt resolutions in a circular procedure or by means of direct remote communications, in particular – electronic mail (e-mail), [video conference or teleconference](#). A resolution shall be valid when all Members of the Supervisory Board are notified of the contents of the draft resolution.
7. Resolutions adopted in accordance with subparagraph 6 above shall be presented at the subsequent meeting of the Supervisory Board together with voting results.
8. [Members of the Supervisory Board may participate in the adoption of resolutions at the proceedings of the Board by casting their vote in writing through another member of the Supervisory Board. Voting in writing shall not apply to matters introduced to the agenda at the meeting of the Supervisory Board.](#)

§ 23

1. Members of the Supervisory Board shall carry out their duties in person.
2. Participation in meetings is the duty of a Member of the Supervisory Board. Excusing the absence of a Member of the Supervisory Board shall require a resolution of the Supervisory Board.
3. Members of the Supervisory Board shall be entitled to a monthly remuneration in the amount determined by the General Meeting.
4. The Company shall cover the costs incurred in connection with performance by members of the Supervisory Board of the functions entrusted to them, in particular the cost of travel to attend meetings of the Supervisory Board, the costs of individual supervision and the cost of accommodation and meals.
5. A Member of the Supervisory Board shall inform the Management Board of the Company of their relationship with a shareholder who holds shares representing not less than 5% of the total number of votes at the General Meeting. This obligation concerns relations of economic, family or other nature, which may affect the position of member of the Supervisory Board on issues decided on by the Supervisory Board.

6. The Company, pursuant to a resolution adopted by the General Meeting, may insure Members of the Supervisory Board from civil liability.

§ 23a

1. When the Company's shares are traded on the regulated market operated by Giełda Papierów Wartościowych w Warszawie SA, the Supervisory Board shall appoint the Audit Committee out of its members.
- ~~2. The Audit Committee shall consist of at least three members, where at least one member should meet the independence requirements prescribed by the provisions of law, subject to the regulations referred to in § 23b.2, and have qualifications in accounting or financial auditing.~~
2. The Supervisory Board may appoint other standing or ad hoc committees.
- ~~3. If the Supervisory Board consists of not 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 shall be, in particular, to:
 - 1) monitor the financial reporting process,
 - 2) monitor the effectiveness of the internal control, internal audit and risk management systems,
 - 3) monitor performance of financial auditing activities,
 - 4) monitor the independence of the statutory auditor and the entity authorized to audit the financial statements, also if such entities provide services referred to in Article 48 (2) of the Act of 7 May 2009 on statutory auditors and their self-government, entities authorized to audit financial statements and public supervision (Journal of Laws No. 77, item 649, as amended).~~
- ~~5. The Audit Committee recommends to the Supervisory Board the entity authorized to audit the financial statements to carry out the financial auditing activities with regard to the Company.~~

§ 23b

1. A member of the Supervisory Board may not perform activities that would remain in conflict with their duties or could result in a suspicion of bias or self-interest.
2. When the Company's shares are traded on the regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A., at least two members of the Supervisory Board should meet the independence criteria prescribed for an independent member of the Supervisory Board 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) as well as the requirements arising out of Best Practices for companies listed by Giełda Papierów Wartościowych w Warszawie S.A. (the 'Independent Members of the Supervisory Board').
3. A candidate for an independent member of the Supervisory Board shall submit to the Company, before their appointment to the Supervisory Board, a written declaration of fulfilment of the criteria of independence. In the event of circumstances resulting in failure to meet the conditions for the independence, the member of the Supervisory Board shall immediately notify the Company of that fact. The Company shall publicly publish information on the current number of independent members of the Supervisory Board.
4. Subject to § 18 subparagraph 3 above, in the event of a reduction in the number of members of the Supervisory Board following the expiry of the mandate of a member of the Supervisory Board, as well as in situations where at least two members of the Supervisory Board do not meet the requirements specified in subparagraph 2, the Management Board of the Company shall immediately convene the General Meeting and put in its agenda an item concerning replenishment or changes to the composition of the Supervisory Board. Until changes in the composition of the Supervisory Board are made to adjust the number of independent members to the requirements of the Articles of Association, the Supervisory Board and its members shall act in the existing composition and retain the ability to hold meetings and pass resolutions, as well as performing any other legal and factual activities.

C. GENERAL MEETING

§ 24

1. General Meetings shall be held at the registered office of the Company or in Warsaw.
2. The General Meeting shall be convened by the Management Board of the Company:
 - 1) on 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 Treasury, where this right is available as long as the Treasury is a shareholder of the Company.

§ 25

1. Shareholders may participate in the General Meeting and exercise the right to vote in person or through authorized representatives.
2. The proceedings of the General Meeting shall be transmitted in real time, and its audio or video recording shall be made available on the Company's website after the meeting.
3. The General Meeting may pass the By-Laws of the General Meeting to set out specific rules for the operation of this body.

§ 26

1. Other than for matters specified in separate provisions of law and these Articles of Association, resolutions of the General Meeting shall be required to:
 - 1) purchase real property, perpetual usufruct or shares in real property or perpetual usufruct with a value exceeding PLN 20,000,000,
 - 2) purchase fixed assets, excluding real property or perpetual usufruct, and excluding the purchase and taking up of shares in other companies, with a value exceeding PLN 20,000,000,
 - 3) sell fixed assets, including real property, perpetual usufruct or share in real property or perpetual usufruct, with the exception of shares in other companies, with a value exceeding PLN 20,000,000,
 - 4) conclude a credit, loan, guarantee or another similar agreement with a member of the Management Board, Supervisory Board, proxy, liquidator or in favor of any of these persons,
 - 5) buy own shares of the Company, in the situation referred to in Article 362 § 1 (2) of the Code of Commercial Companies,
 - 6) create, use and liquidate equities and funds created by means of a resolution of the General Meeting as referred to in § 30 subparagraph 1 point 5 and subparagraph 2,
 - 7) postpone the date of dividend, define the date of dividend or spread payment of dividend into instalments ~~subject to the deadline specified in § 31.2 of the By-Laws.~~
2. In matters referred to in subparagraph 1, the Management Board should present the General Meeting with a written justification of its position, along with a written opinion of the Supervisory Board in each of these cases.

§ 27

1. Subject to subparagraph 6, the shareholders' voting right and the voting rights available to users and pledgees of shares shall be restricted in such a way that none of them can exercise more than 10% of the total number of votes in the Company at the General Meeting, on the date of the General Meeting.
2. Provisions of subparagraphs 1 and 3 are without prejudice to requirements concerning the purchase of major shareholdings in accordance with provisions of the Act of 29 July 2005 on public offering and conditions for introduction of financial instruments into an organized trading system, and on public companies. When determining obligations of entities which

- purchase are about to purchase large blocks of shares, provisions of subparagraphs 1 and 3 shall not apply.
3. In order to restrict the voting right, votes of shareholders bound by a relationship of domination or dependence shall be accumulated, within the meaning of:
 - 1) provisions of the Code of Commercial Companies, or
 - 2) provisions of the Act of 16 February 2007 on protection of competition and consumers, or
 - 3) provisions of the Act of 29 September 1994 on accounting, or
 - 4) provisions of the Act of 22 September 2006 on the transparency of financial relations between public authorities and public enterprises as well as on financial transparency of certain enterprises,in such a way that the number of votes of such shareholders shall be summed.
 4. If, as a result of the accumulation, it is necessary to limit the votes in accordance with provisions of subparagraph 1 above, this shall be accomplished by proportionately reducing the number of votes of all shareholders among whom there is a connection referred to in subparagraph 3, by rounding off or by reducing or by increasing the ending of the votes at the shareholder with the largest block of shares. If no rounding off is possible due to the fact that two or more shareholders have the same number of votes, the Management Board shall make a random choice of the shareholder for which this operation shall be carried out. The reduction may not deprive a shareholder of the voting right in full.
 5. Each concerned shareholder shall notify the Management Board or the Chairperson of the General Meeting of the premises referred to in subparagraphs 1 and 3 if they intend to participate in the General Meeting.
 6. Provisions of subparagraphs 1 to 5 shall not apply to shareholders who on the date of adoption of the resolution of the General Meeting which introduces the restrictions mentioned in the preceding subparagraphs (also if such restrictions are changed), i.e. on 22 August 2012 had rights in shares in the number giving more than 10% of the total number of votes at the General Meeting as well as shareholders acting in concert with them on the basis of agreements for the joint exercise of the voting rights.
 7. A person who does not perform or improperly performs the information obligation referred to in subparagraph 5 above until performance of the information obligation may only exercise the voting right from a single share; the exercise by such a person of the voting right from other shares shall be ineffective.
 8. Resolutions of the General Meeting concerning:
 - 1) introduction of shares of various types, establishment of shares of a new type,
 - 2) changing the preference of shares,
 - 3) merger of the Company by formation of a new company or by acquisition by another company,
 - 4) division of the company, with the exception of division through separation,
 - 5) dissolution of the company, moving the registered office or principal establishment of the Company abroad,
 - 6) transformation of the Company,
 - 7) reducing the share capital by cancellation of part of the shares, unless the reduction takes place with a simultaneous increaseshall require the majority of four-fifths of the votes cast.
 9. A resolution on a significant change of the scope of activities of the Company may be passed without buying out shares of those shareholders who do not agree to the change.

VI. OPERATIONS OF THE COMPANY

§ 28

The financial year of the Company matches the calendar year.

§ 29

The Company's accounts shall be kept in accordance with the International Accounting Standards and applicable law.

§ 30

1. The Company shall set up the following equities and funds:
 - 1) share capital,
 - 2) share premium,
 - 3) revaluation reserve,
 - 4) reserves,
 - 5) other funds created by means of a resolution of the General Meeting.
2. The Company may set up and dissolve other equities, by means of a resolution of the General Meeting, to cover specific losses or expenses, at the beginning and during the financial year.

§ 31

1. The General Meeting may allocate profits to pay dividends, equities and funds of the Company and for other purposes, under the principles defined by the General Meeting.
2. The Management Board of the Company shall be authorized to pass a resolution on making an advance payment to the shareholders against the dividend expected to be paid out at the end of the financial year provided that the Company has sufficient funds to make such a payment. The advance payment shall require the consent of the Supervisory Board.

§ 31a

The Company may issue bonds, including convertible bonds and bonds with pre-emptive rights.

VII. FINAL PROVISIONS

§ 32

1. Whenever these Articles of Association refer to the amount expressed in zlotys, this shall mean the net amount.
2. If the Company is to perform an operation expressed in a currency other than zloty, then in order to determine whether performance of such an operation requires corporate approvals, the equivalent of such an amount in zlotys shall be used at the average exchange rate of that currency to the Polish currency as announced by the National Bank of Poland on the day preceding the date of request for the consent to perform such an operation or on the day on which the Management Board determines that the operation does not require corporate approvals given its value.

§ 33

1. The personal rights referred to in § 18 and § 19 of the Articles of Association shall be available to the shareholder who on the day of adoption of the resolution of the General Meeting which confers these rights represents the highest share in the share capital of the Company.
2. The personal rights referred to in § 18 and § 19 of the Articles of Association shall expire on the date on which the share of the authorized shareholder in the share capital is lower than 20%.

**By-Laws of the General Meeting of Shareholders
of ENERGA Spółka Akcyjna with its registered office in Gdańsk
(with proposed changes)**

§ 1. [Subject of regulations]

1. These By-Laws (hereinafter referred to as the By-Laws) shall lay down the procedure for Ordinary and Extraordinary General Meetings of Shareholders of ENERGA Spółka Akcyjna with its registered office in Gdańsk, entered into the National Court Register, Register of Entrepreneurs, by the District Court for Gdańsk-Północ in Gdańsk, 7th Commercial Division of the National Court Register, under No. KRS 0000271591, (hereinafter referred to as the Company).
2. The RulesBy-Laws shall in no way prejudice provisions of the By-Laws of the Company and provisions of the Code of Commercial Companies.

§ 2. [Definitions]

1. Whenever provisions of these By-Laws refer to:

- 1) **General Meeting:** this shall mean Ordinary or Extraordinary General Meeting of the Company,
- 2) **Supervisory Board:** this shall mean the Supervisory Board of the Company,
- 3) **Management Board:** this shall mean the Management Board of the Company,
- 4) **Participant of the General Meeting:** this shall mean:
 - a) a shareholder of the Company entitled to attend the General Meeting and exercise their voting rights **[Shareholder]**,
 - b) an authorized representative of the Shareholder **[Authorized Representative]**,
 - c) pledgee and the user who is authorized to participate in the General Meeting and to exercise the voting rights attached to shares which are held by the Shareholder **[Holder of Rights in Shares]**,
- 5) **Persons Participating:** this shall mean:
 - a) members of the Management Board and the Supervisory Board, and in relation to the Ordinary General Meeting – also members of the Management Board and the Supervisory Board who performed these functions in the last financial year,
 - b) notary public,
 - c) legal advisor of the Company responsible for presentation of legal opinions on matters related to the agenda of the General Meeting,
 - d) representatives of the services of the Company in particular responsible for:
 - presenting the documents related to the agenda of the General Meeting,
 - assistance in matters relating to keeping the attendance list, providing service related to voting and formulating draft resolutions,
 - e) the person who has been invited to the General Meeting in a specific capacity, in particular, in order to express an opinion on matters which require special knowledge,
 - f) representatives of the media – without voting rights.

6) **Person Opening the General Meeting:** this shall mean the person authorized to open the General Meeting in accordance with provisions of the By-Laws or provisions of the Code of Commercial Companies,

7) **Electronic System:** this shall mean the electronic (computer) system for casting and counting votes using the electronic voting cards [**Electronic Card**], which allows computer calculation of votes for the motion, against the motion and votes abstaining, and in the secret ballot, elimination of identification of the method of voting by individual Shareholders,

8) **Registration:** this shall mean signing by the Participant of the General Meeting of the attendance list and collection of the voting cards (paper cards or Electronic Cards).

~~2. The power of attorney held by the Authorized Representative that has been drafted in a foreign language should be translated into the Polish language by a sworn translator.~~

~~3-2.~~ The Electronic System should have the appropriate certification if required by the applicable provisions of law.

§ 2'. [Principles of granting powers of attorney]

1. The power of attorney held by the Authorized Representative shall be granted in writing or in the electronic form.

2. The power of attorney held by the Authorized Representative that has been drafted in a foreign language should be translated into the Polish language by a sworn translator.

3. Detailed information on granting of the powers of attorney shall be always published in the notice convening the General Meeting.

§ 3. [Service related to the General Meeting]

1. The technical and organizational service of the General Meeting is provided by the Management Board.

2. As part of the service referred to in subparagraph 1, the Management Board shall provide, in particular:

1) suitably equipped room to hold the General Meeting,

2) protection of the General Meeting by security staff,

3) professional service as regards:

a) the Registration process,

b) voting with the use of the Electronic System,

c) ~~the possibility of audio or video recording of the proceedings of the General Meeting~~ recording of the proceedings of the General Meeting in the electronic form.

4) participation of Persons Participating in the General Meeting unless such a Person is entitled only to the right to participate.

3. Voting at the General Meeting shall take place via the Electronic System, and in the event it is not available, with paper (ordinary) voting cards. The Chair~~man~~person of the General Meeting shall ensure that Participants of the General Meeting are sufficiently informed of the method of voting with the use of the Electronic System, and shall ensure demonstration of the operation of the System.

§ 4. [Registration of Participants of the General Meeting]

1. Registration of Participants of the General Meeting should commence at the time indicated in the notice used to convene the General Meeting.
2. The attendance list should be available for inspection by Participants of the General Meeting and should be available to them throughout the proceedings. If after the preparation and signing of the attendance list by the ~~Chairman~~ Chairperson of the General Meeting further Participants of the General Meeting arrive, the attendance list should be supplemented by entering them to the list with the note on the time of entry.
3. Persons responsible for the Registration shall:
 - 1) verify the identity of the Participants of the General Meeting on the basis of national identity cards furnished by them or other non-questionable documents,
 - 2) check and collect from the Authorized Representatives and Eligible Persons the documents proving their right to represent the Shareholder or exercise the voting rights attached to shares which are held by the Shareholder,
 - 3) furnish the voting cards to Participants of the General Meeting.
4. In case of doubt, it is considered that the decision to enter or refuse to enter a Participant of the General Meeting to the attendance list shall require a resolution of the General Meeting.

§ 5. [Opening of the General Meeting and election of the ~~Chairman~~ Chairperson]

1. The Person Opening the General Meeting shall confirm the correctness of convening the General Meeting and then shall take actions necessary to choose the ~~Chairman~~ Chairperson of the General Meeting.
2. The Person Opening the General Meeting may take all the organizational decisions necessary for the commencement of the proceedings of the General Meeting and election of its ~~Chairman~~ Chairperson. In particular, that person shall supervise the election and announce its result.
3. If only one Participant of the General Meeting is present at the General Meeting, the ~~Chairman~~ Chairperson of the General Meeting shall be elected by acclamation. If at least two Participants of the General Meeting are present at the General Meeting, the ~~Chairman~~ Chairperson of the General Meeting shall be elected by secret ballot.
4. If there is more than one candidate, the ~~Chairman~~ Chairperson of the General Meeting shall be elected by voting on each candidate separately, in the alphabetical order, provided, however, that the candidate proposed by the Person Opening the General Meeting is first voted on. The elected candidate is the one who first receives the absolute majority of valid votes cast. If several candidates receives the same number of votes, an additional vote is administered for those candidates.

§ 6. [Agenda of the General Meeting]

1. The General Meeting shall proceed in accordance with the agenda specified in the notice convening the General Meeting, unless a motion is filed to remove certain matters from the agenda or change the order of review of such matters. The decision on such a motion requires a resolution of the General Meeting.
2. In case of doubt, it is considered that the organizational motions which may be passed, even though they are not included on the agenda, are in particular motions relating to matters included on the agenda, method of voting and adoption of resolutions.

§ 7. [~~Chairman~~ Chairperson of the General Meeting]

1. The ~~Chairman~~ Chairperson of the General Meeting should act in accordance with the provisions of law, By-Laws of the Company and morality, and in the interest of the Company, as a legal entity separate from individual Shareholders. In particular, the ~~Chairman~~ Chairperson should consider that the Shareholders should be treated equally under the same circumstances.

- | 2. The ~~Chairman~~Chairperson of the General Meeting shall preside over the General Meeting in accordance with provisions of these By-Laws, ensuring smooth progress necessary to end the proceedings on the day of its opening. The ~~Chairman~~Chairperson of the General Meeting should prevent the abuse of rights by Participants of the General Meeting.
- | 3. The powers of the ~~Chairman~~Chairperson of the General Meeting, as the person in charge of the proceedings, shall include in particular:
 - 1) giving the floor to the Participant of the General Meeting, and – after warning – revoking the floor from the Participant of the General Meeting who exceeded the allowed limit of speech or went beyond the subject matter of the matter discussed,
 - | 2) asking the Persons Participating to speak in any case where the ~~Chairman~~Chairperson considers that it is necessary to review the matter on the agenda or related to the agenda,
 - 3) making decisions on organizational matters, provided that the Participant of the General Meeting shall be entitled to appeal against these decisions to the resolution of the General Meeting,
 - 4) administration of voting ensuring proper progress of voting and signing of the documents which contain results of voting and announcement of the results,
 - 5) supervising the services involved in the General Meeting.
4. If the Chairperson of the General Meeting resigns from his/her function, a new Chairperson shall be elected in accordance with provisions of § 5.

§ 8. [Proceedings]

1. The Chairperson of the General Meeting shall ensure that the matters on which resolutions are to be adopted are sufficiently explained and discussed before voting.
2. After presentation of each matter included on the agenda of the General Meeting, the Chairperson of the General Meeting shall prepare the list of Participants of the General Meeting participating in the discussion if necessary, and when it is closed, shall open the discussion by giving voice according to the order on the list. If no list is prepared, the Chairperson shall give the floor in the order of persons who join the discussion. In formal matters, the Chairperson of the General Meeting may, however, give the floor out of order.
3. With the consent of the General Meeting, the discussion may be carried out jointly on several items of the agenda.
4. If necessary for the preservation of the agenda, the Chairperson of the General Meeting may order that the persons request to join the discussion in writing, stating the forename and surname of the requesting person.
5. Each Participant of the General Meeting who requests to join the discussion shall be entitled to one five-minute speech and a three-minute reply.
6. The floor may be taken only on matters on the agenda of the General Meeting on the subject of the point of the agenda being currently discussed.
7. After the list of speakers is exhausted, the Chairperson of the General Meeting shall close the discussion. The Chairperson shall ensure that the matter on which resolutions are to be adopted are sufficiently explained and discussed before voting.
8. When the agenda is exhausted, the Chairperson of the General Meeting shall close the proceedings.

§ 9. [Commissions]

1. If voting at the General Meeting is to be carried out by means of paper (normal) voting cards, the General Meeting shall appoint a three-person vote counting commission. The General Meeting may also appoint a three-person commission to develop draft resolutions. Members of both committees may also include Persons Participating in the General Meeting.

2. Members of the commissions shall be appointed by election in open voting provided, however, that if the reported number of candidates to the commission corresponds to the number of its members, members of the commission shall be appointed by acclamation. Chairperson of the commission shall be elected by members of the commission.
3. Provisions of the second sentence of § 5.3 and subparagraph 4 shall apply accordingly to election of members of the commissions referred to in subparagraph 1.

§ 10. [Voting and adoption of resolutions]

1. Voting at the General Meeting shall be open, by raising a paper voting card by properly using the Electronic Cards respectively. A secret ballot shall be administered when it is required by provisions of the Code of Commercial Companies, the Company's By-Laws or these By-Laws, or if the General Meeting decides so.
2. The paper voting card for the secret ballot shall include the text: 'yes', 'no' and 'abstaining'. A vote is cast by crossing out the words which do not correspond to the content of the vote. If more than one word remains not crossed out on the voting card, the vote shall be invalid.
3. The Electronic System should provide an instant printout of the voting so that the results can be announced.
4. Voting on the resolution should be preceded by reading its draft by the Chairperson of the General Meeting or a person appointed by them, unless the draft resolution is presented to Participants of the General Meeting in writing or the General Meeting decides not to read the project.
5. Each Participant of the General Meeting shall have the right to propose changes and supplements to draft resolutions until closing of the discussion on the item of the agenda relating to the draft resolution which the proposal applies to.
6. The order of voting on motions submitted to the draft resolution shall be decided on by the Chairperson of the General Meeting, as follows:
 - 1) first, motions the acceptance or rejection of which determines other motions (most far-reaching motions) are voted on,
 - 2) second, the draft resolution shall be voted on in its entirety, in the wording which takes into account the motions already voted on.
7. The document which presents results of voting shall be signed by the Chairperson of the General Meeting and members of the vote counting commission if such a commission is appointed.
8. After the resolution is adopted by the General Meeting, the Chairperson shall announce the result of voting and determine whether the resolution was adopted.

§ 11. [Writing down and recording the proceedings of the General Meeting]

- ~~1. The Chairman of the General Meeting may order that the entire or part of the proceedings be written down at any time, in particular decisions on organizational matters and the discussion on item included on agenda, mentioned by the Chairman to the Person Participating in the General Meeting (Secretary of the General Meeting).~~
 - ~~2. With the consent of the General Meeting, the Chairman of the General Meeting may also decide to record all or part of the proceedings of the General Meeting using audio or visual recordings. Each person whose speech or statement is so registered may request that the speech or statement be not distributed or published.~~
 - ~~3. The recording of the proceedings referred to in subparagraph 1 signed by the Secretary of the General Meeting and the Chairman of the General Meeting, as well as adequately protected media with recordings referred to in subparagraph 2 shall be stored by the Management Board in the Company for a period of three years.~~
1. The proceedings of the General Meeting shall be transmitted in real time, and its audio or video shall be recorded.
 2. The recording of the proceedings shall be made available on the Company's website, in the Investor Relations section, at the end of the General Meeting.

§ 12. [Final provisions]

1. These By-Laws shall come into force on the date specified in the resolution of the General Meeting.
2. If the By-Laws change, the Management Board shall prepare the uniform text.