



## Information concerning the draft of the consolidated text of the Company Statutes

A draft of the consolidated text of the Company Statutes is presented below.

### **THE STATUTES OF PGE POLSKA GRUPA ENERGETYCZNA SPÓŁKA AKCYJNA**

*A draft consolidated text of the Company Statutes including the changes proposed for adoption by the Ordinary General Meeting on 30 May 2012*

#### **I GENERAL PROVISIONS-----**

##### **§ 1**

1. The Company shall conduct activities under the business name of "PGE Polska Grupa Energetyczna Spółka Akcyjna". -----
2. The Company may use a distinctive trademark. -----

##### **§ 2**

The location of the Company's registered office shall be Warsaw. -----

##### **§ 3**

1. The Company's economic activity shall include the following: -----
  - 1) Activities of head offices and holdings, except financial holdings (PKD 70.10.Z),-
  - 2) Activities of holding companies (PKD 64.20.Z),-----
  - 3) Regulation of and contribution to more efficient operation of businesses (PKD 84.13.Z),-----
  - 4) Management consultancy activities (PKD 70.2),-----
  - 5) Trusts, funds and similar financial entities (PKD 64.30.Z),-----
  - 6) Other financial service activities, except insurance and pension funding (PKD 64.9),-----

- 7) Other activities auxiliary to financial services, except insurance and pension funding (PKD 66.19.Z),-----
- 8) Other monetary intermediation (PKD 64.19.Z), -----
- 9) Electric power generation, transmission and distribution (PKD 35.1),-----
- 10) Manufacture of gas; distribution of gaseous fuels through mains (PKD 35.2), -----
- 11) Generation and supply of steam, hot water and air to air conditioning systems (PKD 35.3),-----
- 12) Mining of hard coal (PKD 05.10.Z), -----
- 13) Mining of lignite (PKD 05.20.Z),-----
- 14) Mining and quarrying n.e.c. (PKD 08.9),-----
- 15) Support activities for other mining and quarrying (PKD 09.90.Z), -----
- 16) Manufacture and processing of coke oven products (PKD 19.10.Z),-----
- 17) Transport via pipeline (PKD 49.50), -----
- 18) Water collection, treatment and supply (PKD 36.00.Z),-----
- 19) Construction of utility projects (PKD 42.2), -----
- 20) Construction of other civil engineering projects n.e.c. (PKD 42.99 Z),-----
- 21) Specialised construction activities (PKD 43),-----
- 22) Construction of residential and non-residential buildings (PKD 41.20.Z), -----
- 23) Construction of water projects (PKD 42.91.Z),-----
- 24) Architectural and engineering activities and related technical consultancy (PKD 71.1),-----
- 25) Specialised design activities (PKD 74.10.Z), -----
- 26) Technical testing and analysis (PKD 71.20),-----
- 27) Other research and experimental development on natural sciences and engineering (PKD 72.19.Z),-----
- 28) Operation of gravel and sand pits; mining of clays and kaolin (PKD 08.12.Z), -----
- 29) Wholesale on a fee or contract basis (PKD 46.1),-----
- 30) Other specialised wholesale (PKD 46.7),-----
- 31) Wholesale of solid, liquid and gaseous fuels and related products (PKD 46.71.Z)

- 32) Telecommunications (PKD 61), -----
- 33) Computer programming, consultancy and related activities (PKD 62),-----
- 34) Data processing, hosting and related activities (PKD 63.11.Z),-----
- 35) Market research and public opinion polling (PKD 73.20.Z), -----
- 36) Other education n.e.c. (PKD 85.59), -----
- 37) Accounting, bookkeeping and auditing activities; tax consultancy (PKD 69.20.Z),
- 38) Manufacture of metal structures and parts of structures (PKD 25.11.Z), -----
- 39) Manufacture of electricity distribution and control apparatus ----- (PKD 27.12.Z),
- 40) Manufacture of electronic components (PKD 26.11.Z),-----
- 41) Manufacture of wiring devices (PKD 27.33.Z), -----
- 42) Manufacture of other electrical equipment (PKD 27.90.Z), -----
- 43) Repair and installation of machinery and equipment (PKD 33), -----
- 44) Security systems service activities (PKD 80.20.Z), -----
- 45) Freight rail transport (PKD 49.20.Z), -----
- 46) Freight transport by road (PKD 49.41.Z), -----
- 47) Service activities incidental to land transportation (PKD 52.21.Z), -----
- 48) Cargo handling (PKD 52.24.C),
- 49) Renting and leasing of other machinery, equipment and tangible goods n.e.c.  
(PKD 77.39.Z),-----
- 50) Renting and leasing of other machinery, equipment and tangible goods n.e.c.  
(PKD 77.39.Z),-----
- 51) Renting and leasing of construction and civil engineering machinery and  
equipment (PKD 77.32.Z), -----
- 52) Waste collection, treatment and disposal activities; materials recovery (PKD 38), -
- 53) Sewerage (PKD 37.00.Z),-----
- 54) Defence activities (PKD 84.22.Z),-----
- 55) Business support service activities n.e.c. (PKD 82.9), -----
- 56) Agents specialised in the sale of other particular products (PKD 46.18.Z), -----
- 57) Agents involved in the sale of a variety of goods (PKD 46.19.Z), -----

58) Security and commodity contracts brokerage (PKD 66.12 Z).-----

2. The Company shall initiate a business activity requiring the acquisition of a licence or another permit, or requiring the fulfilment of other particular conditions specified in the applicable regulations after the acquisition of such licences or permit, or meeting such conditions.-----
3. The Company shall conduct its activities in compliance with the applicable legal regulations. In particular, the scope of the activity referred to in clause 1 item 9: -----
  - 1) such activity shall be conducted in compliance with the provisions of the Energy Law of 10 April 1997 (consolidated text: Journal of Laws of 2006, no. 89, item 625, as amended), concerning, among other things, the status of distribution system operators, with respect to their legal and organization forms as well as decision making processes, as entities independent of any other activities not related to electricity distribution, -----
  - 2) the Company shall not conduct the activity consisting in the fulfilment of the functions of a power grid transmission system operator. -----

#### § 4

1. The Company may conduct its business activities in the territory of the Republic of Poland and abroad.-----
2. The Company may open and maintain branches, plants, bureaus, representative offices and other units; it may participate in other companies and undertakings in the territory of the Republic of Poland and abroad. -----
3. The Company may be a member of national and foreign associations. -----

#### § 5

The Company has been established for an indefinite period of time.-----

#### § 6

1. The founder of the Company is the State Treasury.-----
2. Pursuant to article 492 § 1 item 1 of the Commercial Companies Code, the Company (as the acquiring company) has been merged with the following companies: PGE Górnictwo i Energetyka S.A. with the registered office in Łódź, PGE Energia S.A. with the registered office in Lublin.-----
3. Pursuant to article 492 § 1 item 1 of the Commercial Companies Code, the Company (as the Acquiring Company) has been merged with PGE Electra S.A. with the registered office in Warsaw. -----

## **II SHARE CAPITAL AND SHARES-----**

### **§ 7**

The Company's share capital shall equal PLN 18,697,608,290 (say: eighteen billion six hundred and ninety-seven million six hundred and eight thousand two hundred and ninety zloty) and shall be divided into 1,869,760,829 (say: one billion eight hundred and sixty-nine million seven hundred and sixty thousand eight hundred and twenty-nine) shares with a par value of PLN10 (ten zloty) each, including: -----

1) 1,470,576,500 series "A" bearer shares,-----

2) 259,513,500 series "B" bearer shares,-----

3) 73,228,888 series "C" bearer shares,-----

4) 66,441,941 series "D" bearer shares..-----

### **§ 8**

1. Shares in the Company shall be bearer shares.-----
2. A change of bearer shares to registered shares shall not be allowed. -----
3. All shares shall be ordinary shares. -----

### **§ 9**

1. Redemption of shares shall require a shareholder's consent.-----
2. The principles, procedure and conditions of share redemption shall be each time determined by a resolution of the General Meeting. -----

## **III COMPANY GOVERNING BODIES-----**

### **§ 10**

The Company shall have the following governing bodies:-----

- 1) The Management Board, -----
- 2) The Supervisory Board, -----
- 3) The General Meeting.-----

### **§ 11**

1. Subject to the mandatory provisions of the Commercial Companies Code, resolutions of the Company's governing bodies shall be adopted by the absolute majority of votes; the

"absolute majority of votes" shall be understood as more votes cast "in favour" of a resolution than the combined number of votes cast "against" a resolution and "abstaining" votes. -----

2. The voting right of shareholders shall be limited in such manner that at the General Meeting, none of them may exercise more than 10% of the total number of votes existing in the Company as at the date of holding the General Meeting, subject to the provision that for the purposes of determining the obligations of entities acquiring considerable blocks of shares as provided for in the Act on public offerings, conditions for introducing financial instruments to an organised trading system and public companies of 29 July 2005, such limitation of the voting right shall be regarded as non-existent. -----
3. The limitation of the voting right referred to in clause 2 shall not apply to shareholders specified in § 46 clause 1.-----
4. For the purposes of limiting the voting right pursuant to clause 2, votes belonging to shareholders between whom there exists a relationship of domination or dependence (Shareholders Group) shall be cumulated; in the event that the cumulated number of votes exceeds 10% (ten percent) of the total number of votes in the Company, it shall be subject to reduction. The cumulation and reduction of votes shall be governed by the principles included in clauses 7 and 8 below. -----
5. Within the meaning of clause 2, a shareholder shall be every person, including a dominant or dependent entity, entitled directly or indirectly to a voting right at the General Meeting under any legal title; this shall include also a person who does not hold any shares in the Company, in particular a user, lien holder, person entitled under a depository receipt within the meaning of the provisions of the Financial Instruments Trading Act of 29 July 2005, as well as a person entitled to participate in the General Meeting despite the disposal of shares after the date of determining the right to participate in the General Meeting. -----
6. A dominant entity or a dependent entity shall be understood, accordingly, as a person:
  - 1) meeting the prerequisites specified in article 4 § 1 item 4) of the Commercial Companies Code or -----
  - 2) having the status of a dominant entrepreneur, a dependent entrepreneur or simultaneously the status of a dominant entrepreneur and a dependent entrepreneur within the meaning of the provisions of the Competition and Consumers Protection Act of 16 February 2007, or -----
  - 3) having the status of a higher-level dominant entity, a dependent entity, a lower-level dependent entity, a co-dependent entity or an entity having simultaneously the status of a dominant entity (including a higher-level dominant entity) and a dependent entity (including a lower-level dependent entity and a co-dependent entity) within the meaning of the Accounting Act of 29 September 1994, or -----
  - 4) who exerts decisive influence (a dominant entity) or on whom decisive influence is exerted within the meaning of the Act on the transparency of financial relation between public authorities and public entrepreneurs as well as the financial

transparency of some entrepreneurs of 22 September 2006, or -----

- 5) whose votes resulting from shares held in the Company directly or indirectly are subject to cumulation with the votes of another person or other persons under the provisions of the Act on public offerings, conditions for introducing financial instruments to an organised trading system and public companies of 29 July 2005 in connection with the holding, disposal or acquisition of considerable blocks of shares in the Company. -----
7. The cumulation of votes shall consist in the summing of the number of votes remaining at the disposal of shareholders belonging to a Shareholders Group. -----
8. The reduction of votes shall consist in decreasing the total number of votes in the Company to which shareholders belonging to a Shareholders Group are entitled at the General Meeting to the threshold of 10% (ten percent) of the total number of votes in the Company. The reduction of votes in the Company shall be effected in accordance with the following principles: -----
  - 1) the number of votes of a shareholder who holds the largest number of votes in the Company among all shareholders belonging to a Shareholders Group shall be decreased by the number of votes equal to the surplus over 10% of the total number of votes in the Company to which all shareholders belonging to a Shareholders Group are jointly entitled, -----
  - 2) if, despite the reduction referred to in item 1 above, the combined number of votes to which shareholders belonging to a Shareholders Group are entitled exceeds 10% (ten percent) of the total number of votes in the Company, the number of votes held by the other shareholders belonging to a Shareholders Group shall be further reduced (from the highest to the lowest number of votes). Such further reduction shall be conducted until the achievement of a status at which the combined number of votes held by shareholders belonging to a Shareholders Group does not exceed 10% (ten percent) of the total number of votes in the Company, -----
  - 3) if for the purposes of the reduction referred to in items 1) or 2) it is not possible to determine the order of the reduction of the number of votes because of the fact that two or more shareholders hold the same number of votes, then votes of shareholders holding the same number of votes shall be reduced proportionately, with fractions rounded down to the whole number of votes. In the remaining scope, the principles specified in item 1) or item 2) shall apply accordingly, -----
  - 4) in each case a shareholder whose voting right has been limited shall retain the right to exercise at least one vote, -----
  - 5) the limitation of the exercise of the voting right shall also apply to a shareholder absent at the General Meeting. -----
9. Each shareholder who intends to participate in the General Meeting, directly or by proxy, shall be obliged, without a separate call referred to in clause 10 below, to notify the Management Board or the Chairperson of the General Meeting of the fact that he holds, directly or indirectly more than 10% (ten percent) of the total number of votes in

the Company. -----

10. Irrespective of the provisions of clause 9 above, in order to establish a basis for the cumulation and reduction of votes, a shareholder, the Management Board, the Supervisory Board and the particular members of these bodies may demand that a shareholder provide information whether he is a person having the status of a dominant or dependent entity with respect to another shareholder within the meaning of article 6. The right referred to in the preceding sentence shall also cover the right to demand that a shareholder disclose the number of votes that such shareholder holds independently or together with other shareholders. -----
11. A person who has failed to comply or has complied improperly with the obligation to provide information referred to in clauses 9 and 10 above may exercise the voting right exclusively from one share until the remedy of such failure to; the exercise of the voting right from the other shares by such person shall be ineffective. -----
12. In the event of any doubts, the interpretation of the provisions related to the limitation of the voting right shall be conducted in accordance with article 65 § 2 of the Civil Code. -----
13. At the time when the share of the Company's share capital held by a shareholder referred to in § 46 clause 1 item 1 falls below 5% the limitation of the voting right referred to in clause 2 shall expire. -----
14. Resolutions of the General Meeting concerning the preferential status of shares or a merger of the Company by way of a transfer of all its assets to another company or a merger by way of an establishment or another company, a dissolution of the Company (including in consequence of a transfer of the Company's registered office or major enterprise abroad), its liquidation, transformation or decrease of the share capital by way of redemption of a part of shares without its simultaneous increase shall require a majority of 90% of all votes cast. -----

**A. THE MANAGEMENT BOARD-----**

§ 12

1. The Management Board shall manage the Company's affairs and represent the in all judicial and extra-judicial acts.-----
2. All matters related to the management of the Company's affairs and unreserved by the law or the provisions of these Statutes for the General Meeting or the Supervisory Board shall be the competence of the Management Board.-----

§ 13

1. Cooperation of two members of the Management Board or one member of the Management Board and a commercial proxy shall be required to make declarations of will on behalf of the Company. -----
2. The procedures of the Management Board shall be set out in detail in the regulations of



the Management Board. -----

#### § 14

1. The work of the Management Board shall be managed by the President of the Management Board. The President's special rights in this respect shall be specified in the Regulations of the Management Board.
2. All matters outside the scope of the Company's ordinary acts shall require a resolution of the Management Board. If at a meeting of the Management Board an equal number of votes is cast for and against a resolution, the vote cast by the President of the Management Board shall prevail.
3. Irrespective of the matters mentioned in clause 2 above, a resolution of the Management Board shall be required in case of every matter submitted by the Management Board to the Supervisory Board for consideration, including matters unreserved for its competence.
4. The Management Board may adopt resolutions in writing or using means of direct remote communication. -----
5. A detailed procedure for the Management Board's adoption of resolutions shall be specified in the regulations of the Management Board. -----

#### § 15

1. The Management Board shall consist of from two to seven members, including a President; the other members of the Management Board shall fulfil the functions of Vice Presidents. -----
2. Members of the Management Board are appointed for a joint three-year term of office. -

#### § 16

1. The Management Board or particular members of the Management Board, including a President and Vice Presidents, shall be appointed by the Supervisory Board.
2. Each member of the Management Board may be dismissed or suspended by the General Meeting or, for substantial reason, suspended by the Supervisory Board. The Supervisory Board's resolution concerning the suspension of a member of the Management Board shall require a justification. -----
3. A member of the Management Board shall submit resignation in writing to the address of the Company's registered office.-----

#### **B. THE SUPERVISORY BOARD-----**

#### § 17

The Supervisory Board shall exercise permanent supervision over the Company's operations in all areas of activity. -----

§ 18

1. The competence of the Supervisory Board shall include the following: -----
  - 1) evaluating the Management Board's report on the Company's activities and separate financial statements for a previous financial year with respect to their consistency with the account books and other documents as well as the factual state; this shall also concern consolidated financial statements of the PGE Capital Group, if applicable, -----
  - 2) evaluating the Management Board's proposals concerning distribution of profits or financing of losses, -----
  - 3) submitting to the General Meeting a written report on the result of activities referred to in letters 1 and 2, -----
  - 4) selecting a certified auditor responsible for auditing the Company's separate financial statements and the PGE Capital Group's consolidated statements, if applicable, -----
  - 5) approving the Company's yearly and long-term financial plans, as well as determining their scope and deadlines for submission by the Management Board,
  - 6) approving the Company's development strategy, -----
  - 7) adopting detailed regulations specifying the procedures of the Supervisory Board,
  - 8) approving the Regulations of the Company's Management Board, -----
  - 9) determining the amount of remuneration and other conditions of agreements as well as entering into agreements with members of the Management Board (including President of the Management Board), subject to the competence of the General Meeting as provided for in the mandatory provisions of the law, -----
  - 10) giving opinions on all motions for resolutions submitted by the Management Board to the General Meeting. -----
2. The competence of the Supervisory Board shall also include giving consent to the following: -----
  - 1) the Company's acquisition or disposal of the following components of assets: -----
    - a) real property, perpetual usufruct, interest in real property, -----
    - b) components of the Company's tangible assets other than real property, -----
    - c) shares, interests or other participation rights in companies, ------ whose value is equal to or higher than 5,000,000 euros, -----
  - 2) encumbering components of the Company's property meeting the criteria mentioned in item 1 above with a limited property right in the amount (security) equal to or higher than 5,000,000 euros, -----

- 3) the Company's entering into the following agreements: -----
    - a) agreements providing for donations or debt releases whose value equals at least 5,000 euros, -----
    - b) agreements not related to the Company's business activities specified in § 3 clause 1 of the Statutes whose value equals at least 5000 euros, -----
  - 4) the Company's granting of suretyships or guarantees to entities other than directly subordinate companies and cooperatives (within the meaning of the Commercial Companies Code), -----
  - 5) agreements providing for the construction or commissioning of connections with power systems of other countries, -----
  - 6) the Company's entering into agreements other than these referred to above or incurring liabilities other than these mentioned above whose value is equal to or higher than 100,000,000.00 euros; however, the Supervisory Board's consent shall not be required in the following cases: -----
    - a) the Company's entering into agreements with directly or indirectly subordinate companies (within the meaning of the Commercial Companies Code), -----
    - b) entering into agreements or incurring liabilities related to trade in electricity, related products or related rights as well as fuels, -----
  - 7) advanced payments towards planned dividends. -----
3. Besides, the competence of the Supervisory Board shall include in particular the following:-----
- 1) delegating members of the Supervisory Board to temporarily perform the duties of these members of the Management Board who are incapable of performing their duties,-----
  - 2) giving consent to members of the Management Board to hold positions in other companies' governing bodies.-----
4. The Supervisory Board's refusal to grant consent in matters specified in clause 2 and clause 3 item 2 shall require a justification. -----

## § 19

1. The Supervisory Board may delegate its particular members to individually perform particular supervisory activities for a definite period of time. -----
2. A delegated member of the Supervisory Board shall be obliged to submit to the Board written reports on conducted activities. -----

§ 20

1. The Supervisory Board shall consist of from five to nine members. The number of members of the Supervisory Board shall always be an odd number. The Supervisory Board elected by way of group voting shall consist of five members. The number of members of the Supervisory Board shall be determined by the General Meeting in a separate resolution. -----
2. Members of the Supervisory Board shall be appointed and dismissed by the General Meeting, subject to the provisions of clauses 3 to 7 below.
3. A half of members of the Supervisory Board, including Chairperson of the Supervisory Board, appointed by the General Meeting shall be elected from among persons identified by a shareholder specified in § 46 clause 2.-----
4. A motion to appoint a member of the Supervisory Board shall be submitted to the Management Board; if such motion is submitted at the General Meeting whose agenda includes the selection of the Supervisory Board, to be valid, it should be submitted to the Chairperson of the General Meeting immediately after the election of the Chairperson, but not later than before the beginning of a vote on the selection of members of the Supervisory Board. Each such motion shall be subject to a separate vote. -----
5. The State Treasury shall be entitled to appoint and dismiss one member of the Supervisory Board by way of a written declaration submitted to the Management Board. Such appointment or dismissal shall become effective as at the time of a relevant declaration to the Management Board and shall not require a resolution of the General Meeting. This right of the State Treasury shall expire at the time when the State Treasury ceases to be a shareholder in the Company. -----
6. The Supervisory Board shall include at least one person appointed by the General Meeting from among persons meeting the criteria of independence specified in the principles of corporate governance adopted by the Board of the Warsaw Stock Exchange. Proposing a candidate for this position a shareholder nominating such candidate shall be obliged to submit to the minutes of the General Meeting such candidate's written declaration confirming his/her independence.-----
7. Members of the Supervisory Board shall be appointed for a joint three-year term of office. -----
8. The State Treasury's failure to appoint a member of the Supervisory Board referred to in clause 5 above or the General Meeting's failure to elect members of the Management Board meeting the criteria of independence referred to in clause 6 above or the absence of such persons in the composition of the Supervisory Board shall not prevent the Supervisory Board from adopting valid resolutions. -----
9. If, in consequence of the expiry of the mandate of a member of the Supervisory Board, the number of members of the Supervisory Board becomes smaller than the minimum specified in clause 1 above, the Management Board shall immediately convene the General Meeting with a view to supplementing the composition of the Supervisory Board. In the event of the expiry of a mandate of at least one member of the

Supervisory Board elected by way of group voting, the State Treasury shall recover its individual right referred to in clause 5.-----

#### § 21

1. A member of the Supervisory Board may be dismissed by the General Meeting at any time, subject to § 20 clause 5 of the Statutes. -----
2. A member of the Supervisory Board shall submit resignation in writing to the address of the Company's registered office. -----

#### § 22

1. The Supervisory Board shall elect its Vice Chairperson and Secretary from among its members. -----
2. The Supervisory Board may elect a new Vice Chairperson or Secretary of the Board at any time. -----
3. Meetings of the Supervisory Board shall be chaired by its Chairperson and in the event of his/her absence - the Vice Chairperson. -----
4. Declarations addressed to the Supervisory Board between its meetings shall be submitted to the Chairperson of the Board, and if it is not possible, to the Vice Chairperson of the Board or its Secretary. -----

#### § 23

1. The Supervisory Board shall hold meetings at least once every two months. -----
2. The first meeting of the Supervisory Board in a new term of office shall be convened by the Chairperson of the General Meeting at which the Supervisory Board is elected, before the closing of the General Meeting. The date of such meeting may not fall later than two weeks after the date of the General Meeting. In the event that the first meeting of the Supervisory Board is not convened under this procedure, it shall be convened by the Management Board within four weeks from the date of the General Meeting. -----
3. Meetings of the Supervisory Board shall be convened by the Chairperson of the Board or the Vice Chairperson in place of the Chairperson. A meeting of the Supervisory Board should be also convened at the request of any member of the Supervisory Board or the Management Board. -----

#### § 24

1. The convening of a meeting of the Supervisory Board shall be effective if all members of the Supervisory Board are invited in writing at least seven days before the planned date of a meeting. For important reasons, the Chairperson or Vice Chairperson of the Supervisory Board may shorten this period to two days specifying the manner of delivering written invitations. -----

2. An invitation to a meeting of the Supervisory Board shall specify the date and place of such meeting; a detailed agenda of a meeting shall be attached to such invitation. -----
3. A change in the agenda of a meeting may be effected if all members of the Supervisory Board are present at a meeting and none of them has raised an objection to such change.

## § 25

1. The Supervisory Board shall adopt resolutions if at least half of its members are present at a meeting and all members have been duly invited to a meeting. -----
2. The Supervisory Board shall adopt resolutions in open voting. If at a meeting of the Supervisory Board an equal number of votes are cast for and against a resolution, the vote cast by the Chairperson of the Supervisory Board shall prevail. -----
3. Secret voting shall be ordered in personal matters and following a motion put forward by a member of the Supervisory Board. -----
4. The Supervisory Board may adopt resolutions in writing or using means of direct remote communication. A resolution may be adopted under this procedure if all members of the Supervisory Board have been previously presented with proposed resolutions together with their justifications as well as a justification for following this procedure of adopting a resolution.-----
5. Resolutions adopted under the procedure specified in clause 4 and the results of votes shall be presented at the nearest meeting of the Supervisory Board. -----
6. Under the procedure specified in clause 4, resolutions concerning the election or dismissal of the Vice Chairperson and Secretary of the Supervisory Board, the appointment, dismissal or suspension of a member of the Management Board may not be adopted. -----

## § 26

1. The Supervisory Board shall adopt its regulations specifying in detail its procedures. ---
2. The Regulations of the Supervisory Board referred to in clause 1 above, or a resolution of the General Meeting may provide for the establishment of committees within the Supervisory Board, in particular the Audit Committee as well as the Appointments and Remuneration Committee. -----
3. Members of the Supervisory Board shall be obliged to participate in meetings of the Supervisory Board. Excusing the absence of a member of the Board from its meeting shall require a resolution of the Supervisory Board. -----
4. Members of the Supervisory Board shall be entitled to a monthly remuneration in the amount specified by the General Meeting. -----
5. Remuneration for a member of the Supervisory Board delegated temporarily to perform the duties of a member of the Management Board shall be determined by the Supervisory Board in the amount which jointly with the remuneration of a given member of the Supervisory Board determined by the General Meeting shall not be

higher than the highest remuneration determined for the other members of the Management Board. -----

6. The Company shall reimburse costs incurred by members of the Supervisory Board in the fulfilment of the function entrusted to them, in particular costs of travel to meetings of the Supervisory Board, costs of board and accommodation, as well as costs of the exercise of individual supervision. -----

## § 27

On behalf of the Company, agreements with members of the Management Board shall be entered into by an authorized member of the Supervisory Board, on the basis of a resolution adopted by the Supervisory Board. -----

## C. THE GENERAL MEETING -----

## § 28

1. The General Meeting shall be convened by the Management Board: -----
  - 1) on its own initiative, -----
  - 2) at a written request of the Supervisory Board, -----
  - 3) at a written request of a Shareholder or Shareholders representing at least one twentieth of the Company's share capital,-----
  - 4) at a written request of the State Treasury as long as the State Treasury remains a Shareholder. -----
2. A General Meeting should be convened within two weeks from the date of submitting the request referred to in clause 1 item 2 - 4. -----
3. In the event that the General Meeting is not convened within two weeks from the date of submitting the request referred to in clause 1 item 3 or 4, the Court of Registration may authorize shareholders submitting such request to convene the Extraordinary General Meeting. -----

## § 29

1. General Meetings shall be held in the Company's registered office.-----
2. The General Meeting may adopt its regulations. -----

## § 30

1. The General Meeting may adopt resolution only with respect to affairs included in its detailed agenda, subject to article 404 of the Commercial Companies Code.-----
2. The agenda shall be determined by the Management Board or another entity convening the General Meeting. -----
3. A shareholder or shareholders representing at least one twentieth of the share capital

may request that particular affairs be included in the agenda of the nearest General Meeting. The State Treasury shall also be entitled to make such request as long as it remains the Company's shareholder. -----

4. The shareholders, including the State Treasury, referred to in clause 3 may, before the date of the General Meeting, submit to the Company, in writing or by way of electronic means of communication, draft resolutions concerning affairs which have been or may be included in the agenda of the General Meeting. The right referred to in the previous sentence may be exercised as of the date on which the Company becomes a public company. -----
5. The request referred to in w clause 3 should be submitted to the Management Board within the period of time specified in article 401 § 1 of the Commercial Companies Code. In the event that the request referred to in clause 3 is submitted after the period of time specified in article 401 § 1 of the Commercial Companies Code, it shall be regarded as a motion to convene the Extraordinary General Meeting. -----

#### § 31

1. The General Meeting shall be convened by the Management Board by way of an announcement made on the Company's website and in the manner specified for conveying current information in accordance with the regulations concerning public offerings, conditions for introducing financial instruments to an organised trading system and public companies. -----
2. Such announcement should be made at least twenty six days before the date of the General Meeting. -----
3. As of 1 January 2013, unless the announcement of the convening of the General Meeting specifies otherwise, shareholders may participate in the General Meeting using the electronic means of communication, which include in particular the following: -----
  - 1) a real-time broadcast of the General Meeting,
  - 2) a real-time two-way communication allowing shareholders to give their opinions during the course of the General Meeting while staying at a place other than the place of the General Meeting, -----
  - 3) the exercise of the voting right in person or by proxy, before or during the course of the General Meeting. -----
4. The detailed principles of participation in General Meetings using the electronic means of communication referred to in clause 3 above, including all requirements and limitations, in particular those necessary for the identification of shareholders and the assurance of the security of electronic communication shall be determined by the Management Board in the announcement of the convening of the General Meeting or by the Regulations of the General Meeting. -----

#### § 32

The General Meeting shall be opened by the Chairperson of the Supervisory Board or the Vice Chairperson in place of the Chairperson; in the event of the absence of these persons,



the following persons shall be entitled to open the General Meeting in the following order: the President of the Management Board, a person appointed by the Management Board or a shareholder whose shares registered for the General Meeting entitle him/her to exercise the biggest number of voting rights. Subsequently, subject to the provisions of article 400 § 3 of the Commercial Companies Code, the Chairperson of the General Meeting shall be elected from among those entitled to participate in the General Meeting. -----

§ 33

One share shall give its holder one vote at the General Meeting. -----

§ 34

By the majority of two thirds of votes, the General Meeting may order a break in its session. Altogether such breaks may not last longer than thirty days. -----

§ 35

Voting at the General Meeting shall be open. Secret voting shall be ordered in the case of elections of the Company's governing bodies or the Company's liquidators or motions for the dismissal of members of the Company's governing bodies or liquidators, or for bringing them to account, or in personal matters. Apart from that, secret voting shall be ordered at the request of at least one shareholder present or represented at the General Meeting. -----

§ 36

Each year the Management Board shall convene the Ordinary General Meeting. The Ordinary General Meeting should be held within six months from the end of the financial year. -----

§ 37

1. The following matters shall require a resolution adopted by the General Meeting: -----

- 1) selling or leasing the Company's undertaking or its organized part, or establishing a limited property right thereon, -----
- 2) entering into a credit, loan, suretyship or another similar agreement with a member of the Management Board or Supervisory Board, a commercial proxy or liquidator, or for any of such persons, -----
- 3) increasing or decreasing the Company's share capital, -----
- 4) issuing convertible bonds or priority bonds and issuing subscription warrants, -----
- 5) making decisions with respect to claims for compensation of damage caused in the course of fulfilling the managerial and supervisory functions, -----
- 6) the Company's mergers, transformations and demergers, -----
- 7) redemption of shares, -----
- 8) changes in the Statutes and changes in the Company's scope of business activities, -----

- 9) the Company's dissolution and liquidation. -----
2. Purchase or disposal of real property, perpetual usufruct or interest in real property shall not require a resolution adopted by the General Meeting. -----

§ 38

Motions put forward by the Management Board with respect to matters specified in § 37 should be justified and include a written opinion issued by the Supervisory Board. -----

**IV MANAGEMENT OF THE COMPANY -----**

§ 39

The Company's financial year shall be a calendar year. -----

§ 40

The Company's account books shall be kept in accordance with the relative accounting regulations.

§ 41

1. The Company shall create the following capitals and funds: -----
  - 1) share capital, -----
  - 2) supplementary capital, -----
  - 3) revaluation reserve, -----
  - 4) other capital reserves. -----
2. On the basis of resolutions adopted by the General Meeting, the Company may create and release other capitals and special purpose funds at the beginning and during a financial year. In particular, the Company shall create supplementary capital to finance particular expenditures or losses. The purpose of created capitals and special purpose funds shall be determined by the General Meeting. -----

§ 42

The Management Board shall be obliged: -----

- 1) to draw up the Company's separate financial statements together with a report on the Company's activities in a previous financial year within three months from the balance sheet date, -----
- 2) to draw up consolidated financial statements of the PGE Capital Group together with a report on the Capital Group's activities in a previous financial year within three months from the balance sheet date, -----
- 3) to have financial statements audited by a certified auditor, -----

- 4) to submit documents referred to in items 1 and 2 together with an opinion and report prepared by a certified auditor to the Supervisory Board for evaluation, not later than within fourteen days from receiving a certified auditor's opinion on given financial statements. -----

#### § 43

1. The manner of the distribution of the Company's net profit shall be determined by the General Meeting in a relevant resolution. -----
2. The General Meeting shall allocate at least 8% of profit for a given financial year to the supplementary capital until the supplementary capital has become equal to at least one third of the share capital. -----
3. The General Meeting shall determine the use of the supplementary capital, however, the part of the supplementary capital up to the amount equal to one third of the share capital may be used exclusively to finance balance-sheet losses.-----
4. The General Meeting may distribute net profit among the following: -----
  - 1) dividend for shareholders,-----
  - 2) other capitals and funds,-----
  - 3) other purposes.-----
5. The dividend date and the dividend payment date shall be determined by the General Meeting. -----
6. If the Company maintains capital reserves, e.g. for dividend payment, then such reserves may be released in part or in entirety at any time in any financial year on the basis of a resolution adopted by the General Meeting and specifying its purpose. A resolution of the General Meeting determining that a capital reserve or capital reserves be used to pay dividend shall specify the amount of such dividend and date of payment. The Management Board may submit a motion to the General Meeting to release a capital reserve.-----
7. The Management Board shall be entitled to adopt a resolution on the advance payment of expected dividend to shareholders at the end of a financial year if the Company is in possession of funds for such advance payment. Such advance payment of dividend shall require consent of the Supervisory Board. -----

Such advance payment of expected dividend shall be possible provided that the Company has achieved profit and such profit is recognized in the Company's financial statements for the previous financial year and such financial statements have been audited by a certified auditor. Such advance payment of dividend may constitute not more than a half of profit achieved from the end of the previous financial year, recognized in the financial statements and audited by a certified auditor, plus capital reserves created from profit which remain at the disposal of the Management Board for the purpose of such advance payment, less remaining losses and treasury shares. -----

## **V PUBLICATION PROVISIONS -----**

### **§ 44**

The Company shall publish its announcements in the Court and Commercial Gazette (Monitor Sądowy i Gospodarczy). This obligation shall not apply to announcements concerning the convening of the General Meeting. All copies of such announcements shall be sent to the State Treasury as long as the State Treasury remains the Company's shareholder. If a legal regulation requires that the Company publish an announcement additionally in a periodical other than the Court and Commercial Gazette, such periodical shall be a national daily newspaper. -----

## **VI INTERIM AND FINAL PROVISIONS-----**

### **§ 45**

1. The Company may be dissolved for reasons provided for in the legal regulations. -----
2. Members of the Management Board shall be the Company's liquidators unless a resolution adopted by the General Meeting provides for otherwise. -----
3. Shareholders shall be entitled to the Company's assets remaining after the satisfaction of creditors or the security of their claims. -----
4. Whenever these Statutes refer to an amount denominated in the euro, such amount shall be understood as its equivalent in the Polish zloty determined on the basis of the average zloty/euro exchange rate announced by the National Bank of Poland on a day preceding the Management Board's adoption of a relevant resolution. -----
5. Whenever the value of a given right, asset, agreement or liability is denominated in a currency other than the Polish zloty, for the purpose of implementing the Statutes' provisions, the equivalent of such value denominated in the Polish zloty shall be adopted; such value shall be determined on the basis of the average exchange rate of the Polish zloty to such currency announced by the National Bank of Poland on a day preceding the Management Board's adoption of a relevant resolution. -----

### **§ 46**

1. The limitation of the voting right referred to in § 11 clause 2 shall not apply to the following: -----
  - 1) shareholders who on the day when the General Meeting adopts the resolution introducing the limitation have the voting right related to shares representing more than 10% of the total number of shares existing in the Company, -----
  - 2) shareholders acting with shareholders specified in item 1 on the basis of agreements concerning the joint exercise of the voting right related to shares. -----
2. The right specified in § 20 clause 3 may be exercised exclusively by the shareholder who on the day when the General Meeting adopts a resolution establishing such right holds the largest share in the Company's share capital. -----

3. The right specified in § 20 clause 3 may be exercised the shareholder referred to in clause 2 as long as such shareholder's share in the Company's share capital remains above 20%. -----
4. At the time when the right which may be exercised by the shareholder referred to in clause 2 expires in accordance with clause 3, the right specified in § 20 clause 3 shall be acquired by another shareholder representing the highest share in the Company's share capital as long as such shareholder owns at least 20% of the share capital. -----
5. If a shareholder fails to exercise the right specified in § 20 clause 5, the Supervisory Board may act in the composition appointed by the General Meeting. The above provision shall not exclude the possibility of supplementing the composition of the Supervisory Board under § 20 clause 5.-----