



## THE STATUTES OF PGE POLSKA GRUPA ENERGETYCZNA SPÓŁKA AKCYJNA

*A consolidated text of the Company Statutes including the changes adopted by the  
Extraordinary General Meeting on April 6, 2022.*

### 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 Lublin.-----

#### § 3

1. The Company's activities are:-----
  - 1) Mining of hard coal (PKD 05.10.Z),-----
  - 2) Mining of lignite (PKD 05.20.Z),-----
  - 3) Mining of uranium and thorium ores (PKD 07.21.Z),-----
  - 4) Operation of gravel and sand pits; mining of clays and kaolin (PKD 08.12.Z),-----
  - 5) Mining and quarrying n.e.c. (PKD 08.9),-----
  - 6) Support activities for other mining and quarrying (PKD 09.90.Z),-----
  - 7) Manufacture and processing of coke oven products (PKD 19.10.Z),-----
  - 8) Processing of nuclear fuel (PKD 24.46.Z),-----
  - 9) Manufacture of metal structures and parts of structures (PKD 25.11.Z),-----

- 10) Manufacture of electronic components (PKD 26.11.Z),-----
- 11) Manufacture of electricity distribution and control apparatus (PKD 27.12.Z),-----
- 12) Manufacture of wiring devices (PKD 27.33.Z),-----
- 13) Manufacture of other electrical equipment (PKD 27.90.Z),-----
- 14) Repair and installation of machinery and equipment (PKD 33),-----
- 15) Electric power generation, transmission, distribution and trade (PKD 35.1),-----
- 16) Manufacture of gas; distribution of gaseous fuels through mains (PKD 35.2),-----
- 17) Generation and supply of steam, hot water and air to air conditioning systems (PKD 35.3),-----
- 18) Water collection, treatment and supply (PKD 36.00.Z),-----
- 19) Sewerage (PKD 37.00.Z),-----
- 20) Waste collection, treatment and disposal activities; materials recovery (PKD 38),-
- 21) Remediation activities and other waste management services (PKD 39.00.Z),-----
- 22) Development of building projects (PKD 41.10.Z),-----
- 23) Construction of residential and non-residential buildings (PKD 41.20.Z), -----
- 24) Construction of utility projects (PKD 42.2),-----
- 25) Construction of water projects (PKD 42.91.Z),-----
- 26) Construction of other civil engineering projects n.e.c. (PKD 42.99.Z),-----
- 27) Specialised construction activities (PKD 43),-----
- 28) Wholesale on a fee or contract basis (PKD 46.1),-----
- 29) Wholesale of other machinery and equipment (PKD 46.69.Z),-----
- 30) Other specialised wholesale (PKD 46.7),-----
- 31) Freight rail transport (PKD 49.20.Z),-----
- 32) Freight transport by road (PKD 49.41.Z),-----
- 33) Transport via pipeline (PKD 49.50),-----
- 34) Warehousing and storage of other goods (PKD 52.10.B),-----
- 35) Service activities incidental to land transportation (PKD 52.21.Z),-----
- 36) Cargo handling (PKD 52.24.C),-----

- 37) Telecommunications (PKD 61),-----
- 38) Computer programming, consultancy and related activities (PKD 62),-----
- 39) Data processing, hosting and related activities (PKD 63.11.Z),-----
- 40) Other information service activities n.e.c. (PKD 63.99.Z),-----
- 41) Other monetary intermediation (PKD 64.19.Z),-----
- 42) Activities of holding companies (PKD 64.20.Z),-----
- 43) Trusts, funds and similar financial entities (PKD 64.30.Z),-----
- 44) Other financial service activities, except insurance and pension funding (PKD 64.9),-----
- 45) Security and commodity contracts brokerage (PKD 66.12.Z),-----
- 46) Other activities auxiliary to financial services, except insurance and pension funding (PKD 66.19.Z),-----
- 47) Buying and selling of own real estate (PKD 68.10.Z),-----
- 48) Rental and operating of own or leased real estate (PKD 68.20.Z),-----
- 49) Management of real estate on a fee or contract basis (PKD 68.32.Z),-----
- 50) Accounting, bookkeeping and auditing activities; tax consultancy (PKD 69.20.Z),-
- 51) Activities of head offices and holdings, except financial holdings (PKD 70.10.Z),-
- 52) Management consultancy activities (PKD 70.2),-----
- 53) Architectural and engineering activities and related technical consultancy (PKD 71.1),-----
- 54) Technical testing and analysis (PKD 71.20),-----
- 55) Other research and experimental development on natural sciences and engineering (PKD 72.19.Z),-----
- 56) Market research and public opinion polling (PKD 73.20.Z),-----
- 57) Specialised design activities (PKD 74.10.Z),-----
- 58) Renting and leasing of other vehicles, with the exception of motorcycles (PKD 77.12.Z),-----
- 59) Renting and leasing of construction and civil engineering machinery and equipment (PKD 77.32.Z),-----
- 60) Renting and leasing of other machinery, equipment and tangible goods

n.e.c.(PKD 77.39.Z), -----

- 61) Security systems service activities (PKD 80.20.Z), -----
  - 62) Business support service activities n.e.c. (PKD 82.9),-----
  - 63) Regulation of and contribution to more efficient operation of businesses (PKD 84.13.Z),-----
  - 64) Defence activities (PKD 84.22.Z),-----
  - 65) Other education n.e.c. (PKD 85.59).-----
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 a licence or permit, or meeting such conditions.-----
  3. The Company shall conduct its activities in compliance with the applicable legal regulations. In particular, with respect to the activity referred to in clause 1 item 15:-----
    - 1) such activity shall be conducted in compliance with the requirements of the Energy Law of 10 April 1997, concerning, among other things, distribution system operators' remaining, with respect to their legal and organisational forms as well as decision making processes, independent of any other activities not connected with 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. The Company shall perform tasks connected with ensuring energy security for the Republic of Poland.-----

#### § 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. 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.-----
4. Pursuant to Article 492 § 1 item 1 of the Commercial Companies Code, the Company (as the acquiring company) has been merged with PGE Energia Jądrowa S.A. with the registered office in Warsaw.-----

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

### § 7

The Company's share capital shall equal 19,165,048,497.25 zloty (say: nineteen billion one hundred and sixty five million forty eight thousand four hundred and ninety seven zloty 25/100) 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 10.25 zloty (say: ten zloty 25/100) 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 bodies of the Company are:-----

- 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. -----  
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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 dominant entity, 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. The above obligation shall not apply to shareholders specified in § 46 clause 1.-----
10. Irrespective of the provisions of clause 9 above, in order to establish a basis for the cumulation and reduction of votes, a shareholder of the Company, the Management Board, the Supervisory Board and the particular members of these bodies may demand that a shareholder provide information whether he/she is a person having the status of a dominant or dependent entity with respect to another shareholder within the meaning of clause 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; 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. -  
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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 of 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 Company 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. In the event that the Management Board shall consist of one member, the only member of the Management Board shall be authorised to make statements on behalf of the Company.-----
3. The procedures of the Management Board and the internal division of competences between individual members of the Management Board in relation to the management of the Company's affairs shall be set out 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 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. The matters that require a resolution of the Management Board shall be, in particular, the following:-----
  - 1) the Company's acquisition or disposal of the following components of assets:----
    - a) real property, perpetual usufruct, interest in real property or perpetual usufruct---
    - b) shares, interests or other participation rights in companies.-----
  - 2) incurring credits and loans, -----
  - 3) granting sureties and guarantees by the Company and issuance of promissory notes,
  - 4) making donations and releasing from debts, -----
  - 5) concluding agreements not related to the Company's business activities specified in § 3 clause 1 of the Statutes,-----
  - 6) appointing commercial proxies,-----
  - 7) appointing Company proxies authorised to incur liabilities with a value exceeding 400,000 zlotys, excluding (i) powers of attorney to conclude agreements or incur liabilities related to trade in electricity and gas, related products and rights related thereto, and related to the purchase and sale of fuels

- and raw materials (ii) powers of attorney ad litem, -----
- 8) adopting the Regulations of the Management Board, -----
  - 9) approving the Company's Organisational Regulations, -----
  - 10) establishing and closing branches, -----
  - 11) establishing of another company, -----
  - 12) adopting the Company's yearly and long-term financial plans, including investment, marketing and sponsorship plans, -----
  - 13) approving the rules of conducting sponsorship activity, -----
  - 14) adopting the Company's development strategy,-----
  - 15) determining the method of exercising the voting right at general meetings or general meetings of the companies in which the Company holds shares or interests,-----
  - 16) making advanced payments towards planned dividends,-----
  - 17) approving the materials submitted by the Management Board to the Supervisory Board.-----
4. Irrespective of the matters mentioned in clause 2 and 3 above, a resolution of the Management Board shall be required in case of every matter submitted by the Management Board to the Supervisory Board or the General Meeting for consideration.-  
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  5. The Management Board may adopt resolutions in writing or using means of direct remote communication.------
  6. A detailed procedure for the Management Board's adoption of resolutions shall be specified in the Regulations of the Management Board. -----
  7. Meetings of the Management Board may be held even if not formally convened, provided that all the members of the Management Board have been effectively notified of the meeting and none of the members of the Management Board has objected to holding the meeting and the proposed agenda of the meeting. -----

§ 15

1. The Management Board shall consist of from one to seven members, including the President; the other members of the Management Board shall fulfil the functions of Vice Presidents.-----
2. Members of the Management Board shall be appointed for a joint term of office which lasts 3 years. A member of the Management Board shall meet the conditions specified in Article 22 of the Act on the Management of State-owned Property.------
3. A candidate for a member of the Management Board shall meet jointly the following conditions:-----

- 1) a candidate has higher education or higher education acquired abroad and recognized in the Republic of Poland on the basis of separate regulations,-----
  - 2) a candidate has at least a five years' period of employment on the basis of an employment agreement, appointment, selection, nomination, a cooperative employment agreement, or providing services on the basis of other agreements, or conducting business activities in the capacity of a self-employed entrepreneur,-----
  - 3) a candidate has at least three years' experience of working at managerial or independent positions, or experience resulting from business activities conducted in the capacity of a self-employed entrepreneur,-----
  - 4) a candidate meets requirements other than these specified in items 1–3, specified in separate regulations, in particular, a candidate does not breach any restrictions or prohibitions related to the holding of a position of member of a governing body in commercial companies.-----
4. A candidate for a member of the Management Board may not meet any of the following conditions:-----
- 1) a candidate holds a position of voluntary co-worker or is employed in an office of a Member of the Parliament, a Member of the Senate or a Member of the European Parliament on the basis of an employment agreement or performs work on the basis of a contract of mandate or any other contract of a similar character,-----
  - 2) a candidate is a member of a political party's body representing a political party and authorized to incur liabilities,-----
  - 3) a candidate is employed by a political party on the basis of an employment agreement or performs work on the basis of a contract of mandate or any other contract of a similar character,-----
  - 4) a candidate holds an elective position in a trade union functioning in the company or a trade union functioning in a company belonging to the capital group,-----
  - 5) a candidate's social or business activities are in conflict with the interests of the company.-----

## § 16

1. The Management Board or particular members of the Management Board, including the President and Vice Presidents, shall be appointed and dismissed 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 his/her resignation to another member of the Management Board or a commercial proxy, and shall notify the Chairperson of the Supervisory Board of such resignation. If, in consequence of the resignation of a member of the Management Board, none of the mandates in the Management Board was to be held, a member of the Management Board shall submit his/her resignation to the Supervisory Board.-----
4. The Supervisory Board shall appoint a Member of the Management Board after conducting a recruitment procedure whose objective is to check and assess candidates' qualifications and to choose the best candidate for a Member of the Management Board.
  - 1) The Supervisory Board shall conduct a recruitment procedure in the event of circumstances justifying the appointment of a Member of the Management Board,--
  - 2) Initiating a recruitment procedure for the position of Member of the Management Board, the Supervisory Board shall determine, by way of a resolution, the detailed principles and rules of such a procedure, in particular: the position being the subject matter of the procedure, the date and place of submitting applications, the date and place of conducting interviews, the scope of issues to be discussed in interviews, the requirements and the method of assessing candidates,-----
  - 3) A candidate for a Member of the Management Board shall meet the requirements specified in Article 22 of the Act on the Management of State-owned Property,-----
  - 4) An announcement about the recruitment procedure shall be published on the Company's website and in the Public Information Bulletin of the entity entitled to exercise the rights related to shares held by the State Treasury.-----
  - 5) The Supervisory Board shall inform shareholders about the results of a recruitment procedure and shall provide them with the minutes of a recruitment procedure.-----

**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 the Management Board's report on the activities of the Capital Group and the consolidated financial statements of the Capital Group, if applicable,-----
  - 2) evaluating the Management Board's proposals concerning distribution of profits or coverage of losses,-----
  - 3) submitting to the General Meeting a written report on the result of activities referred to in items 1 and 2,-----

- 4) selecting a statutory an audit firm responsible for auditing or reviewing the Company's separate financial statements and the Capital Group's consolidated financial statements, if applicable,-----
- 5) approving the Company's yearly and long-term financial plans, including investment, marketing and sponsorship plans, as well as determining their scope and deadlines for submission by the Management Board,-----
- 6) providing opinions on the principles of conducting sponsoring activities and assessing the effectiveness of sponsoring activities conducted by the Company,----
- 7) approving the Company's development strategy,-----
- 8) adopting detailed regulations specifying the procedures of the Supervisory Board,
- 9) approving the Regulations of the Company's Management Board,-----
- 10) establishing the consolidated text of the Company's Statutes,-----
- 11) determining the amount of remuneration and other conditions of agreements as well as entering into agreements with the members of the Management Board (including the President of the Management Board), subject to the competence of the General Meeting as provided for in the mandatory provisions of the law,-----
- 12) providing opinions on the Management Board's reports on representation expenses, expenses on legal services, marketing services, public relations services and social communication services, and management consultancy services, as well as a report on the use of the good practices referred to in Article 7 clause 3 of the State Property Management Act of 16 December 2016-----
- 13) providing opinions on changes in the principles of the disposal of the non-current assets specified in § 41<sup>1</sup>,-----
- 14) approving the remuneration policy for the capital group,-----
- 15) giving opinions on all motions for resolutions submitted by the Management Board to the General Meeting of the Company. -----

2. The competence of the Supervisory Board shall also include giving consent to the following:

- 1) disposing of the components of non-current assets within the meaning of the provisions of the Accounting Act of 29 September 1994, classified as intangible assets, fixed assets or long-term investments, including their use as a contribution to a company or cooperative, if the market value of such components exceeds 20,000,000 zlotys or 5% of the value of total assets within the meaning of the Accounting Act established on the basis of the latest approved financial statements, as well as making such components available for use by another entity for a period longer than 180 days in a calendar year, on the basis of a legal act, if the market value of the subject of a legal act exceeds 1,000,000 zlotys or 5% of the total value of assets, with the proviso that making an asset available for use in the case of:
  - a) rental agreements, lease agreements and other agreements providing for making an asset available for use by other entities – the market value of the subject of a legal act shall be understood as the value of benefits for: -----

- one year – if an asset is made available for use on the basis of agreements entered into for an indefinite period of time, -----
- the whole term of an agreement – for agreements entered into for a definite period of time, -----
- b) loan-for-use agreements and other agreements providing for making an asset available for use free of charge by other entities – the market value of the subject of a legal act shall be understood as the equivalent of benefits which would be available in the case of entering into a rental or lease agreement for: -----
  - one year – if an asset is made available for use on the basis of agreements entered into for an indefinite period of time, -----
  - the whole term of an agreement – for agreements entered into for a definite period of time,-----
- 2) purchasing components of non-current assets within the meaning of the Accounting Act of 29 September 1994 whose value exceeds:-----
  - a) 20,000,000 zlotys or-----
  - b) 5% of the value of total assets within the meaning of the Accounting Act of 29 September 1994 established on the basis of the latest approved financial statements,---
- 3) acquiring or purchasing shares or interests in another company whose value exceeds: -----
  - a) 20,000,000 zlotys or-----
  - b) 10% of the value of total assets within the meaning of the Accounting Act of 29 September 1994 established on the basis of the latest approved financial statements,---
- 4) disposing of shares or interests in another company whose market value exceeds:-----
  - a) 20,000,000 zlotys or-----
  - b) 10% of the value of total assets within the meaning of the Accounting Act of 29 September 1994 established on the basis of the latest approved financial statements,---
- 5) the Company's entering into the following agreements:-----
  - a) agreements providing for donations or debt releases or other agreements with similar consequences whose value exceeds 20,000 zlotys or 0.1% of the value of total assets within the meaning of the Accounting Act of 29 September 1994 established on the basis of the latest approved financial statements,-----
  - b) agreements not related to the Company's business activities specified in § 3 clause 1 of the Statutes whose value equals at least 20,000 zlotys,-----
  - c) agreements for the provision of legal services, marketing services, public relations and social communication services, as well as advisory services connected with management if the net amount of total remuneration to be paid for provided services under one agreement or more agreements entered into with the same entity is higher than 500,000 zlotys per year,-----
  - d) changes in agreements for the provision of legal services, public relations services,

social communication services and management consultancy services if such changes increase the amount of remuneration above the amount referred to in letter c,-----

- e) agreements for the provision of legal services, public relations services, social communication services and management consultancy services which do not provide for the maximum amount of remuneration,-----
- 6) the Company's granting of sureties or guarantees for entities other than directly or indirectly subordinate companies (within the meaning of the Commercial Companies Code),-----
- 7) agreements providing for the construction or commissioning of connections with power systems of other countries,-----
- 8) the Company's incurring other liabilities with a value equal to or exceeding 400,000,000 zlotys, exclusive of agreements or liabilities related to trade transactions concerning electricity and gas, related products or related rights, as well as trade transactions concerning the purchase and sale of fuels and raw materials,-----
- 9) advance payments towards planned dividends,-----
- 10) investment undertakings concerning or related to a power generation unit or a combined heat and power generation unit with a value exceeding 200,000,000 zlotys, or a power distribution network with a value exceeding 20,000,000 zlotys, within the meaning of the Energy Law, to be carried out or co-financed by the Company or to be secured by the Company or on the Company's assets, -----
- 11) projects concerning or related to exploration or prospection for mineral deposits or extraction of minerals with a value exceeding 200,000,000 zlotys, within the meaning of the Geological and Mining Law, to be carried out or co-financed by the Company or to be secured by the Company or on the Company's assets, -----
- 12) the manner of exercising the voting right by a representative of PGE Polska Grupa Energetyczna S.A. at General Meetings in companies in which the Company holds at least 50% of shares or interests, in matters concerning power generation units or combined heat and power generation units with a value exceeding 200,000,000 zlotys or power distribution networks with a value exceeding 20,000,000 zlotys, within the meaning of the Energy Law,-----
- 13) the manner of exercising the voting right by a representative of PGE Polska Grupa Energetyczna S.A. at General Meetings in companies in which the Company holds at least 50% of shares or interests, in matters concerning projects related to exploration or prospection for mineral deposits or extraction of minerals, within the meaning of the Geological and Mining Law, with a value exceeding 200,000,000 zlotys,-----
- 14) the manner of exercising the voting right by a representative of PGE Polska Grupa Energetyczna S.A. at General Meetings in companies whose objects include electric power generation, transmission, distribution or trade, in matters concerning the following:-----
  - the incurring of contingent liabilities by such companies,-----
  - the execution of credit or loan agreements by such companies,-----
  - the establishment of security by such companies, including security on such companies' assets,-----

- the execution of other agreements by such companies or the adoption of resolutions by such companies' General Meetings,-----

concerning or related to power generation units, combined power and heat generation units with a value exceeding 200,000,000 zlotys or power distribution networks, within the meaning of the Energy Law, with a value exceeding 20,000,000 zlotys, or concerning or related to exploration or prospecting for mineral deposits or extraction of minerals, within the meaning of the Geological and Mining Law, with a value exceeding 200,000,000 zlotys,-----

15) the manner of exercising the voting right by a representative of PGE Polska Grupa Energetyczna S.A. at General Meetings in companies for which the Company is the parent company within the meaning of Article 4 item 3 of the Competition and Consumer Protection Act of 16 February 2007, in the following matters:-----

- a) the establishment of another company by a company,-----
- b) changes in a company's statutes, articles of association or objects,-----
- c) a company's merger, transformation, demerger, dissolution or liquidation,-----
- d) an increase or decrease in a company's share capital, -----
- e) the disposal or lease of a company's undertaking or its organized part, or the establishment of a limited property right thereon,-----
- f) the redemption of shares or interests,-----
- g) the determination of remuneration for members of management boards and supervisory boards,-----
- h) decisions with respect to claims for compensation of damage caused in connection with the establishment of a company and the fulfilment of managerial or supervisory duties,
- i) matters referred to in Article 17 clause 1 of the Act on the Management of State-owned Property of 16 December 2016, subject to § 42 item 8.-----

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 Supervisory Board elected by way of group voting shall consist of five members.-----
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. At least half of members 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 statement 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 the 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 submit to the minutes of the General Meeting such candidate's written statement confirming his/her independence. The members of the Supervisory Board are required to submit a statement of compliance or non-compliance with the independence criteria specified in the principles of corporate governance adopted by the Board of the Warsaw Stock Exchange and to inform if there are any changes due to which the submitted statement becomes out-of-date.-----
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 his/her resignation in writing to the Management Board to the address of the Company's registered office. -----

§ 22

1. The Supervisory Board shall elect its Chairperson, Vice Chairperson and Secretary from among its members. -----
2. The Supervisory Board may elect a new Chairperson, Vice Chairperson or Secretary of the Board at any time. -----
3. The Chairperson of the Supervisory Board is elected from among persons identified by a shareholder specified in § 46 clause 2. -----
4. Meetings of the Supervisory Board shall be chaired by its Chairperson and in the event of his/her absence the Vice Chairperson. -----
5. Statements 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.
4. Meetings of the Supervisory Board may be held even if not formally convened, provided that all the members of the Supervisory Board are present at the meeting and none of the members of the Supervisory Board has objected to holding the meeting and the proposed agenda of the meeting. -----

§ 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 following a motion put forward by a member of the Supervisory Board and in personal matters. -----
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 Chairperson, 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 shall not be higher than the highest remuneration determined for the other members of the Management Board. The member of the Supervisory Board

delegated temporarily to perform the duties of a member of the Management Board is not entitled to his/her remuneration for performing the duties of a member of the Supervisory Board for the period of such posting. -----

- 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, costs of independent performance of certain supervisory activities by the members of the Supervisory Board, as well as costs of the exercise of individual supervision.-----

§ 27

On behalf of the Company, the agreements with the members of the Management Board shall be entered into by an authorised 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 items 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 authorise shareholders submitting such request to convene the Extraordinary General Meeting. -----

§ 29

- 1. General Meetings shall be held in the Company’s registered office or in a place being the location of the registered office of a company operating a regulated market on which the Company’s shares are traded.-----
- 2. The General Meeting may adopt its regulations. -----

§ 30

- 1. The General Meeting may adopt resolutions 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 clause 3 should be submitted to the Management Board within the time limit 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 time limit 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.-----

§ 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 organised part, or establishing a limited property right thereon, -----
- 2) entering into a credit, loan, surety 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. Purchasing and disposing of real property, perpetual usufruct or interests in real property or perpetual usufruct shall not require the consent of the General Meeting, subject to clause 3 items 1 and 2. -----

3. The consent of the General Meeting is required for the following: -----

- 1) the Company's disposal of shares/interests in a company with respect to which frequencies from the ranges 452.5-457.5 MHz and 462.5-467.5 MHz have been reserved pursuant to a decision on frequency reservation to be issued, after consultations with the minister competent for energy-related matters, by the President of the Electronic Communication Office, -----
- 2) the determination of the manner of voting at the General Meeting of a company with respect to which frequencies from the ranges 452.5-457.5 MHz and 462.5-467.5 MHz have been reserved pursuant to a decision on frequency reservation to be issued, after consultations with the minister competent for energy-related matters, by the President of the Electronic Communication Office, on matters concerning amendments to such a company's statutes / articles of association.”

§ 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 financial year of the audited Company is the 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.-----

§ 41<sup>1</sup>

1. The Company's disposal of components of non-current assets within the meaning of the Accounting Act of 29 September 1994 whose market value exceeds 0.1% of the total assets established on the basis of the latest approved financial statements shall be carried out in the form of a tender procedure or an auction, unless the market value of components to be disposed of is lower than 20,000 zlotys..-----
2. The Company may dispose of the components of the non-current assets without conducting a tender procedure or an auction if:-----
  - 1) the subject matter of an agreement is shares/interests or other financial components of the assets or licences, patents or other industrial property rights or know-how, if the conditions for a sales procedure other than a public tender procedure or an auction are determined by a resolution of the Supervisory Board,-----
  - 2) a disposal takes place under liquidation proceedings in accordance with principles specified in a resolution of the General Meeting, subject to separate regulations,-----
  - 3) the subject matter of a disposal is housing units constituting the property of the Company, the sales price is not lower than 50% of their market value, and they are sold to their tenants or people residing permanently with tenants within the meaning

of Article 4 item 13 of the Real Property Management Act of 21 August 1997; the sales price shall take into account the fact that housing units to be sold are occupied; the value of improvements made by a tenant shall be credited towards the price of a particular housing unit,-----

- 4) in other justified cases, upon a motion of the Management Board, for the price and in accordance with the principles determined in a resolution of the Supervisory Board,-----
  - 5) a disposal is to be made for the benefit of subsidiaries,-----
  - 6) the subject matter of a disposal is CO<sub>2</sub> emission allowances or their equivalents.----
3. Non-current assets shall be disposed of under the following procedure:-----
- 1) An announcement about a tender procedure or an auction shall be published in the Public Information Bulletin on the website of the entity entitled to exercise the rights related to shares held by the State Treasury, on the Company's website, in a visible and publicly accessible place in the Company's registered office, as well as in other places used customarily for the placement of announcements,-----
  - 2) A tender procedure or an auction shall be conducted not earlier than 14 days after the date of the publication of an announcement about a tender procedure or an auction,-
  - 3) The following people and entities shall not participate in tender procedures or auctions:
    - a) the Members of the Management Board and the Supervisory Board,-----
    - b) the entity conducting a tender procedure or an auction as well as the Members of its Management Board and Supervisory Board, -----
    - c) people who have been entrusted with the performance of actions related to the conduct of a tender procedure or an auction, -----
    - d) spouses, children, parents and siblings of people referred to in letters a-c, -----
    - e) people who remain with the person conducting a tender procedure or an auction in a legal or factual relationship which may give rise to justified doubts as to the impartiality of the person conducting a tender procedure,-----
  - 4). Participation in a tender procedure or an auction shall depend on the payment of a tender bond in the amount of at least 5% of the asking price of an asset to be sold. The regulations referred to in item 8 may provide for a higher amount of a tender bond.-----
  - 5) Before the beginning of a tender procedure or an auction the Company shall determine the asking price which may not be lower than the market value determined by expert surveyors; if the market value cannot be determined, the asking price may not be lower than the net book value,-----
  - 6) The Company may refrain from having a component of the non-current assets to be sold assessed by an expert surveyor if:-----



- a) the cost of such assessment would obviously exceed the asset's market value,-----
- b) the component of the non-current assets has a determined market price,-----
- 7) Tender procedures shall be conducted in the following forms:-----
  - a) an oral tender procedure,-----
  - b) a written tender procedure,-----
- 8) The Company shall determine regulations specifying the principles and rules of conducting a tender procedure or an auction, the content of an announcement about a tender procedure or an auction, as well as the form and the conditions of a tender procedure or an auction,-----
- 9) The organizer of a tender procedure or an auction shall be entitled to close the tender procedure or the auction without selecting any of the submitted bids without providing any reasons,-----
- 10) The bidder who has submitted the highest bid shall win the tender procedure or the auction-----

§ 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 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 an audit firm -----
- 4) to submit documents referred to in items 1 and 2 together with an audit report prepared by a statutory auditor to the Supervisory Board for evaluation, not later than within fourteen days from receiving a statutory auditor's audit report,-----
- 5) to provide the Supervisory Board with quarterly information on investment undertakings referred to in § 18 clause 2 items 10,11, irrespective of progress in the execution of a particular undertaking or project,-----
- 6) to provide the Supervisory Board with information on the course of, and decisions adopted at, General Meetings with respect to matters referred to in § 18 clause 2 items 14,-----
- 7) to provide the Supervisory Board, within two months from the end of Company's General Meeting/General Meetings in companies in which the Company holds shares or interests, such meetings dealing with the approval of financial statements and reports on business activities or consolidated financial statements of capital groups and reports on business activities of capital groups, with annual information concerning the execution of investment undertakings concerning or related to power

generation units, combined power and heat generation units with a value exceeding 200,000,000 zlotys or power distribution networks with a value exceeding 20,000,000 zlotys, as well as projects concerning or related to exploration for, or identification of, mineral deposits or extraction of minerals, within the meaning of the Geological and Mining Law, with a value exceeding 200,000,000 zlotys.-----

8) in the companies for which the Company is the parent company within the meaning of Article 4 item 3 of the Competition and Consumer Protection Act of 16 February 2007, in connection with article 17 clause 7, Article 18 clause 2, Article 20 and Article 23 as well as taking into account Article 18a and Article 23a of the State Property Management Act, to implement the principles specified in the State Property Management Act of 16 December 2016,-----

10) to draw up a report on representation expenses, expenses on legal services, marketing services, public relations services and social communication services, as well as management consultancy services, as well as a report on the use of the good practices referred to in Article 7 clause 3 of the State Property Management Act of 16 December 2016, and to submit such reports together with the Management Board's report on the Company's activities for the previous financial year to the Supervisory Board.-----

§ 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 record date and the dividend payment date shall be determined by the General Meeting. -----
6. If the Company maintains capital reserves, for example, 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 recognised in the approved financial statements of the Company for the previous financial year. Such advance payment of dividend may constitute not more than a half of profit achieved from the end of the previous financial year, recognised in the financial statements and audited by a statutory 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 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. -----
5. Whenever these Statutes refer to the value of liabilities or agreements, the net value should be taken into account. -----
6. Whenever these Statutes refer to the conclusion of the agreement, the following should be adopted to determine its value – in the event of the lack of any other grounds specified in the Statutes: -----
  - 1) in the case of an agreement concluded for a definite period - the total value of the provisions under such agreement for its entire term, -----
  - 2) in the case of an agreement concluded for an indefinite period - the total value of the provisions under the agreement for a period of five years.-----

If it is impossible to determine the value of provisions under the agreement, it is necessary to estimate the value of the subject of the agreement. -----

7. Whenever these Statutes refer to the value, it must be estimated, unless it can be determined based on the Statutes or applicable provisions of law. -----
8. Whenever these Statutes refer to the Energy Law, it shall mean the Energy Law of 10 April 1997. -----
9. Whenever these Statutes refer to the Geological and Mining Law, it shall mean the Geological and Mining Law of 9 June 2011. -----

§ 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 by the shareholder referred to in clause 2 as long as such shareholder's share in the Company's share capital falls below 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. -----