

**UNIFORM TEXT OF THE ARTICLES OF ASSOCIATION  
OF LUBELSKI WĘGIEL BOGDANKA S.A.**

*prepared by the Management Board, based on the Company's Articles of Association adopted by virtue of Resolution No. 2 of the Extraordinary General Shareholders Meeting of Lubelski Węgiel Bogdanka Spółka Akcyjna, dated 29 August 2008 (Notarial Deed of 29 August 2008 – Rep. A No. 3698/2008), incorporating the amendments adopted by way of Resolution No. 1 and Resolution No. 2 of the Extraordinary General Shareholders Meeting of 29 October 2008 (Notarial Deed, Rep. A No. 4739/2008 of 29 October 2008) and Resolution No. 2 of the Extraordinary General Shareholders Meeting of 16 February 2009 (Notarial Deed, Rep. A No. 597/2009 of 16 February 2009), Resolution No. 2 of the Extraordinary General Shareholders Meeting of 14 November 2008 (Notarial Deed, Rep. A No. 4981/2008), the statement of the Company's Management Board (Notarial Deed, Rep. A No. 3225/2009 of 1 July 2009), and Resolution No. 5 of the Extraordinary General Shareholders Meeting of 11 August 2009 (Notarial Deed, Rep. A No. 3897/2009), and Resolution No. 22 of the Annual General Shareholders Meeting of 10 June 2010 (Notarial Deed, Rep. A No. 2444/2010) and Resolutions No. 25 - 33 of the Annual General Shareholders Meeting of 10 May 2011 (National Deed, Rep. A No 4627/2011, Resolutions No. 3-9 of the Annual General Shareholders Meeting of 27 April 2012 (Notarial Deed, Rep. A No 5287/2012), Resolution No. 3 of the Extraordinary General Shareholders Meeting of 28 June 2012 (Notarial Deed, Rep. A No 8210/2012), Resolutions of the Annual General Shareholders Meeting of 4 July 2013 (Notarial Deed, Rep. A Nr 2426/2013) and Resolutions No. 22-23 of the Annual General Shareholders Meeting of 18 June 2015 (Notarial Deed, Rep. A Nr 2077/2015).*

**I. GENERAL PROVISIONS**

**Article 1**

1. The Company shall operate under the name of Lubelski Węgiel Bogdanka Spółka Akcyjna.
2. The Company may use the abbreviated name of LW Bogdanka S.A. and a distinctive graphic mark.

**Article 2**

1. The Company's registered office shall be in Bogdanka, located in the Puchaczów commune in the Lublin province.
2. The Company may operate in Poland and abroad.
3. The Company may establish and operate branches, plants, offices, representative offices and other units, and may hold equity interests in other companies and ventures in Poland and abroad.

**Article 3**

The Company was established as a result of commercialisation of the state-owned enterprise operating under the name of Kopalnia Węgla Kamiennego Bogdanka of Bogdanka.

#### **Article 4**

The Company was established for an indefinite term.

#### **Article 5**

The Company shall be governed by the Commercial Companies Code of 15 September 2000 (Dz.U. No. 94, item 1037, as amended) and these Articles of Association.

### **II. BUSINESS PROFILE**

According to the Polish Classification of Business Activities, the Company's business is as follows:

- (1) Agriculture, forestry, hunting and fishery (Section A),
- (2) Mining and production (Section B),
- (3) Industrial processing (Section C),
- (4) Production and supply of electricity, gas, steam, hot water and air for air-conditioning installations (Section D),
- (5) Water supply; liquid and solid waste management; activities related to reclamation (Section E),
- (6) Construction (Section F),
- (7) Wholesale, retail sale and repair of motor vehicles, including motorcycles (Section G),
- (8) Transport and warehouse management (Section H),
- (9) Activities related to lodging and catering (Section I),
- (10) Information and communications (Section J),
- (11) Finance and insurance (Section K),
- (12) Real estate activities (Section L),
- (13) Professional, scientific and technical activities (Section M),
- (14) Administration and support activities (Section N),
- (15) Education (Section P).

### **III. SHARE CAPITAL AND OTHER FUNDS**

#### **Article 7**

The Company's equity was created using the founding capital, the fund of the state-owned enterprise, and retained earnings from the operations conducted prior to the commercialisation of the state-owned enterprise referred to in Article 3.

#### **Article 8**

1. The Company's share capital shall amount to PLN 170,067,950 (one hundred and seventy million, sixty-seven thousand, nine hundred and fifty złoty) and is divided into 34,013,590 (thirty-four million, thirteen thousand, five hundred and ninety) shares with a par value of PLN 5 (five złoty) per share, including:
  - a) 19,770,590 (nineteen million, seven hundred and seventy thousand, five hundred and ninety) Series A bearer shares, numbered from 00000001 to 19770590;
  - b) 3,243,000 (three million two hundred and forty-three thousand) Series B registered shares numbered from 0000001 to 3243000, including 3,242,865 (three million two hundred and forty-two thousand eight hundred and sixty-five) bearer shares and 135 (one hundred and thirty-five) registered shares;
  - c) 11,000,000 (eleven million) Series C bearer shares numbered from 0000001 to 11000000.
2. The conditional share capital of the Company shall amount to a maximum of PLN 6,802,725 (six million eight hundred two thousand seven hundred and twenty-five) and is divided into not more than 1,360,545 (one million three hundred sixty thousand five hundred and forty-five) ordinary bearer series D shares with a nominal value of PLN 5 (five) each.
3. The purpose of the conditional increase in capital referred to in Section 2 is granting a right to acquire series D shares to the holders of subscription warrants issued by the Company under resolution no. 26/2013 of the Annual General Shareholder Meeting of 4 July 2013.

#### **Article 9**

1. The Company shares shall be registered shares or bearer shares.
2. The registered shares can be converted at any time, upon their owner's request, into bearer shares..
3. Bearer shares may not be converted into registered shares.

#### **Article 10**

1. The Company may retire its shares.

2. The share retirement shall require the consent of the shareholder (voluntary retirement).
3. The rules, procedures and terms of share retirement shall be determined by way of a resolution of the General Shareholders Meeting.

#### **Article 11**

1. The share capital may be increased pursuant to a resolution of the General Shareholders Meeting, by way of issuing new shares (registered or bearer shares) or increasing the par value of existing shares.
2. A share capital increase effected by way of increasing the par value of existing shares may only be financed with the Company's internally-generated funds.

#### **Article 12**

The Company may purchase its own shares in situations provided for in Article 362.1 of the Commercial Companies Code.

#### **Article 13**

The share capital may be reduced in accordance with the rules provided for in Article 455-458 of the Commercial Companies Code.

#### **Article 14**

The Company's statutory reserve funds may be increased in accordance with the rules provided for in Article 396 of the Commercial Companies Code.

#### **Article 15**

The Company may issue debt securities, including bonds convertible into shares and bonds carrying preemptive right.

### **IV. SHAREHOLDERS' RIGHTS AND OBLIGATIONS**

#### **Article 16**

The Company shares shall be transferable.

#### **Article 17**

*Deleted.*

## **V. GOVERNING BODIES**

### **Article 18**

The Company's governing bodies shall include:

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

### **Article 19**

Subject to mandatory provisions of the Commercial Companies Code and provisions of the Company's Articles of Association, resolutions of the Company's governing bodies shall be adopted by the absolute majority of votes. The absolute majority of votes shall mean that the number of affirmative votes cast is higher than the aggregate of negative and abstaining votes, with the proviso that:

- 1) if the number of affirmative votes cast on a Management Board's resolution equals the number of negative and/or abstaining votes, the President of the Management Board shall have the casting vote,
- 2) if the number of affirmative votes cast on a Supervisory Board's resolution equals the number of negative and/or abstaining votes, the Chairperson of the Supervisory Board shall have the casting vote.

## **MANAGEMENT BOARD**

### **Article 20**

1. The Management Board shall manage the Company's affairs and shall represent the Company in all actions before court and out of court.
2. Any matters not reserved for the Supervisory Board or the General Shareholders Meeting by law or by these Articles of Association shall fall within the scope of powers of the Management Board.
3. The Management Board shall be headed by the President of the Management Board.

### **Article 21**

1. Declarations of will on behalf of the Company may be made by two members of the Management Board acting jointly, or by a member of the Management Board acting jointly with a proxy.

2. The appointment of a proxy shall require a resolution of the Management Board, adopted unanimously by its members. The power of proxy may be revoked by any and each of the Management Board members.
3. The operations of the Management Board shall be governed by the Rules of Procedure adopted by the Management Board and approved by the Supervisory Board.

## **Article 22**

1. Any matters which fall outside the scope of the Company's ordinary course of business shall require a resolution of the Management Board.
2. In particular, without prejudice to the powers of the other governing bodies of the Company, the following issues shall require a resolution of the Management Board:
  - 1) adopting the Rules of Procedure for the Management Board,
  - 2) adopting the Company's Organisational Rules,
  - 3) creating and dissolving the Company branches,
  - 4) appointment of a proxy,
  - 5) contracting loans,
  - 6) adopting annual business plans (specifying the tasks to be performed and the related budgets, covering technical and business details) and long-term strategic plans,
  - 7) assuming contingent liabilities (including the issuance of guarantees, sureties and notes),
  - 8) disposing of and acquiring non-current assets with a value exceeding the PLN equivalent of EUR 50,000.00 (fifty thousand euro),
  - 9) any matters which are submitted by the Management Board for Supervisory Board's and the General Shareholders Meeting's consideration,
  - 10) making an advance payment to the shareholders towards an anticipated dividend.

## **Article 23**

The Management Board is responsible for developing the plans referred to in Article 22.2.6, and for submitting them for the Supervisory Board to issue an opinion thereon. After acquisition of tangible fixed assets which are not provided for in an annual business plan approved by the Supervisory Board, as provided for in the Articles of Association, and whose total value exceeds the PLN equivalent of EUR 10,000,000, the Management Board is obliged to develop an appropriate change to this plan and submit it for the Supervisory Board to issue an opinion.

## **Article 24**

1. The Management Board shall be composed of 3 (three) to 7 (seven) members, including the President of the Management Board and Vice-Presidents of the Management Board.

2. Members of the Management Board shall be appointed for a joint term of office lasting 3 (three) years.

#### **Article 25**

1. The members of the Management Board are appointed and removed from office by the Supervisory Board.
2. *Deleted*
3. *Deleted.*
4. *Deleted.*
5. *Deleted.*
6. *Deleted.*
7. *Deleted.*
8. *Deleted.*
9. The mandate of a Management Board member shall expire no later than on the date of the General Shareholders Meeting which approves the report on the Company's operations and financial statements for the last full financial year in which such member served on the Management Board.
10. A Management Board member shall tender his/her resignation in writing to another member of the Management Board or a proxy. The Management Board member or proxy who receives the resignation shall promptly notify the other members of the Management and Supervisory Boards of the same.

#### **Article 26**

*Deleted.*

#### **Article 27**

*Deleted.*

#### **Article 28**

*Deleted.*

#### **Article 29**

*Deleted.*

#### **Article 30**

1. *Deleted*

2. On behalf of the Company, the Supervisory Board shall execute contracts and agreements with the Management Board member by way of adopting a relevant resolution which must identify the person with whom a contract or agreement is to be concluded, and specify all the contractual terms. Furthermore, by virtue of its resolution, the Supervisory Board shall authorise one of its members to act as the Supervisory Board's representative and to sign, on its behalf, a contract or an agreement on the terms specified in the resolution. The provisions set forth in the first and second sentence shall apply accordingly to other legal transactions between the Company and a Management Board member.

## **SUPERVISORY BOARD**

### **Article 31**

The Supervisory Board shall exercise continuous supervision over the Company's activities in all areas of its operations.

### **Article 32**

1. The powers of the Supervisory Board shall include:
  - 1) Review of the Directors' Report on the Company's operations and of the financial statements for the preceding financial year, and the evaluation of the consolidated financial statements of the Group, if any, in terms of their conformity with the accounting books and documents and with the actual state of affairs,
  - 2) Assessment of the Management Board's proposals concerning distribution of profit or coverage of loss,
  - 3) Submission to the General Shareholders Meeting of an annual written report on the results of the activities referred to in Article 32.1.1 and 32.1.2,
  - 4) Appointment of a chartered auditor to audit the annual financial statements of the Company and the consolidated financial statements of the Group,
  - 5) Determination of the scope of annual business plans (specifying the tasks to be performed and the related budgets, covering technical and business details) and long-term strategic plans, and the deadline for submission thereof by the Management Board,
  - 6) approval of the Company's long-term strategic plans as well as changes thereto;
  - 7) approval of the Company's annual business plans as well as changes thereto,
  - 8) Adoption of the Rules of Procedure for the Supervisory Board, determining in detail the procedures of the Supervisory Board,
  - 9) Adoption of the uniform text of the Company's Articles of Association prepared by the Management Board, for the Company's internal use,
  - 10) Approval of the Rules of Procedure for the Company's Management Board,
  - 11) Approval of the Rules of Procedure of Internal Audit and Control as well as changes thereto.



2. The powers of the Supervisory Board shall include granting consent to the Management Board for the following:
  - 1) acquisition or disposal of real estate, perpetual usufruct right to or an interest in real estate with a value exceeding the PLN equivalent of EUR 250,000.00,
  - 2) *delated*
  - 2a) Acquisition, sale or production of tangible fixed assets, fixed assets in construction or intangible assets which are not provided for in an annual business plan approved by the Supervisory Board, as provided for in the Articles of Association, if the value of one or more related transactions exceeds the PLN equivalent of EUR 5,000,000,
  - 2b) Establishment of a security regarding any liability of the Company or a third party, if the value of one or more related transactions exceeds the PLN equivalent of EUR 1,000,000,
  - 2c) Entering into an agreement by the Company or performing any other legal act other than those indicated in 2a) or 2b), which is not provided for in an annual business plan approved by the Supervisory Board, as provided for in the Articles of Association, where the total value of the Company's benefits or receivables (with respect to one or more related legal actions and regardless of a period which they cover), exceeds the PLN equivalent of EUR 10,000,000, except for agreements entered into as part of the Company's core business,
  - 3) Conclusion by the Company of an agreement with a value exceeding the PLN equivalent of EUR 10,000.00, where the subject matter is a donation or release from debt, or another agreement where the subject matter is not related to the business of the Company as defined in these Articles of Association,
  - 4) Conclusion by the Company or its subsidiary of a material agreement with a related party, members of the Supervisory or Management Boards and their related parties. The obligation to seek the Supervisory Board's consent shall not apply to typical transactions, executed by the Company at arms' length, in the ordinary course of business, with a subsidiary in which the Company holds a majority equity interest,
  - 5) execution by the Company of a loan, surety or other similar agreement with, or for the benefit of, a Management Board member, a proxy or a liquidator,
  - 6) Contracting liabilities, i.e. a loan, credit, security or similar, of which all material terms and conditions are not provided for in an annual business plan approved by the Supervisory Board, as provided for in the Articles of Association, except for the issue of securities referred to in Article 52.3.5, whose value (except for interest on repayable funds) exceeds a PLN equivalent of EUR 25,000,000,
  - 7) the Company granting a loan, suretyship, issuing a promissory note, or granting any other debt,
  - 8) granting consent to the creation of foreign branches of the Company,
  - 9) approval of making an advance payment to the shareholders towards an anticipated dividend at the end of the financial year.
3. Additionally, the Supervisory Board's powers shall include in particular:

- 1) Appointment and removal from office of Management Board members,
- 2) Determining the amount of remuneration to members of the Management Board,
- 3) Suspension of Management Board members from duties for a good reason,
- 4) Delegation of the Supervisory Board members, for a period of up to three months, to temporarily perform the duties of Management Board members who have been removed from office, resigned from office or are unable to perform their duties for another reason.
- 5) *Deleted,*
- 6) Representing the Company in agreements and disputes between the Company and the Management Board members,
- 7) *Deleted,*
- 8) Granting permission to Management Board members for accepting positions on the governing bodies of other entities,
- 9) approval of dismissal of a person in charge of the Company's organisational unit responsible for internal audit and control.
4. The consent of the Supervisory Board shall also be required for:
  - 1) establishment of another company by the Company,
  - 2) subscription for or acquisition of shares in another company,
  - 3) disposal of subscribed for or acquired shares in another company.
5. "The issues listed in Article 52.4 shall not require approval of the Supervisory Board if at least one of the conditions stipulated below is met:
  - 1) subscription for shares in a company is effected in exchange for the Company's claims in arrangement or composition proceedings,
  - 2) the value of shares acquired, subscribed for or obtained does not exceed the PLN equivalent of EUR 500,000.00.
6. The Supervisory Board's refusal to grant consent with regard to the issues specified in Article 32.2 and 32.3.8 shall require a statement of reasons,
7. The adoption of or changes to:
  - 1) annual or long-term audit plan, and
  - 2) procedures of the internal audit
 require a prior opinion of the Audit Committee functioning in the Supervisory Board.

### **Article 33**

1. The Supervisory Board shall perform its duties collectively.
2. For a good reason, the Supervisory Board may delegate its individual members to independently exercise certain supervisory functions for a definite term.

3. The delegated Supervisory Board member shall be obliged to provide the Supervisory Board with a written report on his/her activities.
4. The Supervisory Board may also appoint standing and temporary committees from among its members. The Audit Committee shall be a standing committee at the Supervisory Board.

#### **Article 34**

1. The Supervisory Board shall be composed of 5 (five) to 9 (nine) members, appointed and removed from office by the General Shareholders Meeting.
2. The Members of the Supervisory Board are appointed for the periods of individual terms of office lasting three years.
3. Members of the Supervisory Board may be removed from office by the General Shareholders Meeting at any time.
4. A Supervisory Board member shall tender his/her resignation in writing to another member of the Management Board or a proxy. The Management Board member or proxy who receives the resignation shall promptly notify the other members of the Management and Supervisory Boards of the same.
5. The Supervisory Board may include independent members, who shall meet the following criteria:
  - 1) he/she has no employment relationship or a similar legal relationship with the Company, any of its branches or related parties,
  - 2) he/she is not a supervisory or management board member at any of the Company's related parties,
  - 3) he/she is not a shareholder holding 5% or more of the total vote at the Company's General Shareholders Meeting or the general shareholders meeting of any of the Company's related parties,
  - 4) he/she is not an employee or a supervisory or management board member of an entity holding 5% or more of the total vote at the Company's General Shareholders Meeting or the general shareholders meeting of any of the Company's related parties,
  - 5) he/she is not a descendant or ascendant, a spouse, a sibling, a parent of a spouse, or an adoptee of any of the persons listed in Article 34.5.1-4.
6. An independent Supervisory Board member should meet the independence criteria stipulated in Article 34.5 throughout his/her term of office. If the Supervisory or Management Board becomes aware that an independent Supervisory Board member has ceased to meet the independence criteria during his/her term of office, steps should be taken to effect his/her early resignation or removal from office.
7. An independent member of the Supervisory Board is obliged to immediately inform the Company in writing if he ceases to meet the independence criteria provided for in Article 34.5.
8. A related party referred to in Article 5 shall be understood as the Company's parent, subsidiary or a subsidiary of the Company's parent. The parent-subsidiary relation

shall be determined in accordance with the relevant regulations of the Commercial Companies Code.

**Article 35**

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**Article 36**

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**Article 37**

*Deleted.*

**Article 38**

*Deleted.*

**Article 39**

1. At its first meeting, the members of the Supervisory Board shall appoint from among themselves the Chairperson, the Deputy Chairperson and the Secretary of the Supervisory Board.
2. The Supervisory Board may remove its member from office of Chairperson, Deputy Chairperson and Secretary of the Supervisory Board.
3. Meetings of the Supervisory Board shall be convened, opened and chaired by the Chairperson of the Supervisory Board.
4. If the Chairperson of the Supervisory Board is not able to perform his/her duties, the work of the Supervisory Board shall be directed and the meetings of the Supervisory Board shall be convened, opened and chaired by the Deputy Chairperson of the Supervisory Board or a person designated by the Deputy Chairperson. In the event that both the Chairperson and the Deputy Chairperson of the Supervisory Board are not able to perform their duties, the meetings of the Supervisory Board shall be convened by the Management Board of the Company and shall be opened and chaired by the oldest member of the Supervisory Board.
5. Any statements addressed to the Supervisory Board between its meetings shall be made to the Chairperson of the Supervisory Board and, if not possible, to the Deputy Chairperson or the Secretary of the Supervisory Board.

**Article 40**

1. The Supervisory Board should be convened as needed, but not less frequently than six times per year.

2. The President of the Management Board shall convene and open the first meeting of a newly appointed Supervisory Board and shall chair the meeting until the Chairperson of the new Supervisory Board is appointed. The first meeting of a newly appointed Supervisory Board shall be convened within one month from the appointment of the members of the Supervisory Board of the new term by the General Shareholders Meeting and the date of the meeting shall fall within two weeks from the date of convention of the meeting.
3. If the President of the Management Board fails to convene the first meeting of the Supervisory Board of the new term by the deadline set forth in Article 40.2, the meeting may be convened by any member of the Supervisory Board. In such a case, the meeting shall be opened and chaired, until the Chairperson of the Supervisory Board is elected, by the oldest member of the Supervisory Board.
4. The agenda of the first meeting of a newly-appointed Supervisory Board shall only include the appointment of the Chairperson, the Deputy Chairperson and the Secretary of the Supervisory Board. The agenda of the first meeting may include other matters provided that all members of the Supervisory Board agree to the inclusion of such matters in the agenda.
5. If during a term of office the mandate of the Chairperson of the Supervisory Board expires and another member of the Supervisory Board is appointed as Chairperson, the Deputy Chairperson shall convene a meeting of the Supervisory Board within two weeks from the appointment of the new Supervisory Board member and set the date of the meeting for a day falling within a month from the appointment of the new Supervisory Board member. If the meeting is not convened by the deadline specified above, it may be convened by the Management Board of the Company.
6. The meeting referred to in Article 40.5 shall be opened and chaired, until the Chairperson of the Supervisory Board is appointed, by the Deputy Chairperson of the Supervisory Board.
7. If during a term of office the mandates of the Chairperson and the Deputy Chairperson of the Supervisory Board expire and new members of the Supervisory Board are appointed as Chairperson and Deputy Chairperson of the Supervisory Board, the Management Board of the Company shall convene a meeting of the Supervisory Board within two weeks from the appointment of new members of the Supervisory Board and set the date of the meeting for a day falling within a month from the appointment of the new members of the Supervisory Board. If the meeting is not convened by the deadline specified above, it may be convened by any member of the Supervisory Board.
8. The meeting referred to in Article 40.7 shall be opened and chaired, until the Chairperson of the new Supervisory Board is appointed, by the oldest member of the Supervisory Board.
9. The agenda of the meetings referred to in this Article 40 shall only include the appointment of the Chairperson and, optionally, the Deputy Chairperson of the Supervisory Board. The agenda of the meetings may include other matters provided that all members of the Supervisory Board agree to the inclusion of such matters in the agenda.

#### **Article 41**

The operating procedure of the Supervisory Board, including the procedure for convening Supervisory Board meetings, shall be defined in detail in the Rules of Procedure of the Supervisory Board adopted by the Supervisory Board.

#### **Article 42**

1. The Supervisory Board may adopt resolutions if at least half of its members are present at the meeting, and all the members have been invited to the meeting.
2. The Supervisory Board shall adopt resolutions in open ballot.
3. Secret ballot shall be ordered at the request of a Supervisory Board member or in the case of voting on personnel matters.
4. Members of the Supervisory Board may participate in adopting resolutions of the Supervisory Board by casting their vote in writing through another Supervisory Board member. The votes cast in writing may not concern matters placed on the agenda during the meeting of the Supervisory Board.
5. The Supervisory Board may adopt resolutions in a written form or with the use of means of remote communication. A resolution shall be valid if all members of the Supervisory Board have been notified of the contents of the draft resolution.
6. Resolutions concerning the election of the Chairperson and the Deputy Chairperson of the Supervisory Board, appointment of a Management Board member and removal or suspension of such persons from office, as well as resolutions passed in secret ballot may not be adopted in the manner specified in Article 42.4 and 42.5.
7. Resolutions adopted in the manner specified in Article 42.4 and 42.5 shall be presented at the next Supervisory Board meeting along with the results of the vote.

#### **Article 43**

1. Members of the Supervisory Board shall exercise their powers and duties in person.
2. Supervisory Board members shall be obliged to participate in the Supervisory Board meetings. In the event of any absence from the meetings, a Supervisory Board member shall provide reasons for his/her absence in writing. Justification of absence of a Supervisory Board member shall require a Supervisory Board's resolution.
3. Members of the Supervisory Board shall be entitled to monthly remuneration in the amount defined by the General Shareholders Meeting.
4. The Company shall cover the costs incurred by the members of the Supervisory Board in connection with their performance of duties, and in particular the cost of travel to take part in the Supervisory Board's meeting, accommodation and subsistence, as well as costs incurred in connection with exercising individual supervision.
5. The remunerations of Supervisory Board members delegated to temporarily perform the duties of a Management Board member shall be defined by the Supervisory Board by way of a resolution.

6. If a Supervisory Board member delegated to temporarily perform the duties of a Management Board member receives the remuneration referred to in Article 43.5, such Supervisory Board member shall not be entitled to remuneration for that period in respect of his/her Supervisory Board membership.

## **GENERAL SHAREHOLDERS MEETING**

### **Article 44**

1. The General Shareholders Meeting shall be convened as an Annual or Extraordinary General Shareholders Meeting.
2. An Annual General Shareholders Meeting shall be convened by the Company's Management Board.
3. The Extraordinary General Shareholders Meeting shall be convened by the Company's Management Board:
  - 1) of its own initiative;
  - 2) at a written request, or at a request made in electronic form, of a shareholder or shareholders representing at least one-twentieth of the share capital.
4. The Extraordinary General Shareholders Meeting shall be convened within two weeks from the submission of a relevant request referred to in Article 44.3.2. If within two weeks from the submission of the request to the Management Board the Extraordinary General Shareholders Meeting is not convened, the Registry Court, by way of a decision, may authorise the shareholder or shareholders, who submit such a request, to convene the Extraordinary General Shareholders Meeting. In the notification to convene the Extraordinary General Shareholders Meeting, the shareholder or shareholders so authorised by the Registry Court shall refer to the above mentioned decision. The Registry Court shall nominate the Chairperson of such Extraordinary General Shareholders Meeting.
5. The Annual General Shareholders Meeting may be convened by the Supervisory Board, if the Management Board fails to convene it within the period specified in the Commercial Companies Code or the Articles of Association, or the Extraordinary General Shareholders Meeting, if the Supervisory Board deems it advisable.
6. The Extraordinary General Shareholders Meeting may also be convened by the shareholders representing at least a half of the Company's share capital or at least a half of the total vote at the Company. The shareholders appoint the Chairperson of the Meeting.

### **Article 45**

The General Shareholders Meetings shall be held at the Company's registered office, in Lublin or in Warsaw.

### **Article 46**

1. The General Shareholders Meeting may adopt resolutions only with respect to the issues included in its, subject to the provisions of Article 404 of the Commercial Companies Code.
2. The agenda of the General Shareholders Meeting shall be determined by the Company's Management Board or, in the circumstances specified in Article 44.5 and Article 44.6, the entity convening the General Shareholders Meeting.
3. A shareholder or shareholders representing at least one-twentieth of the share capital may request that certain matters be placed on the agenda of the General Shareholders Meeting. In order to exercise their right, the shareholders entitled to request that certain matters be placed on the agenda of the General Shareholders Meeting, should submit a request to the Company's Management Board, in writing or in an electronic form, along with a justification and a draft resolution regarding the proposed item of the agenda, not later however than twenty-one days before the scheduled date of the General Shareholders Meeting.
4. The Management Board announces the changes in the agenda of the next General Shareholders Meeting introduced at the request of the shareholders; the announcement shall be made promptly, however not later than eighteen days before the scheduled date of the General Shareholders Meeting. The announcement shall be made in a manner appropriate for the convening the General Shareholders Meeting.
5. If the request referred to in Article 46.3 is submitted after the date referred to in Article 46.3, then such a request shall be deemed a request for convening the Extraordinary General Shareholders Meeting.
6. The General Shareholders Meeting shall be convened by way of publishing a relevant announcement at the Company's website, in a manner specified for announcing information by public companies, with a proviso that such an announcement should be published at least twenty-six days before the proposed date of the General Shareholders Meeting.
7. The announcement should specify the date, time and venue of the General Shareholders Meeting, its detailed agenda and other information as required by Article 402<sup>2</sup> of the Commercial Companies Code.
8. Only persons who are shareholders of the Company sixteen days before the date of the General Shareholders Meeting (i.e. the date of registering participation in the Meeting) are entitled to participate in the General Shareholders Meeting with the right to vote.

#### **Article 47**

1. The General Shareholders Meeting shall be opened by the Chairperson or Deputy Chairperson of the General Shareholders Meeting, or a person appointed by the Chairperson of the Supervisory Board. In the absence of such persons, the General Shareholders Meeting shall be opened by the President of the Management Board or a person appointed by the Management Board.
2. Additionally, subject to the provisions of Article 401.1 of the Commercial Companies Code, the Chairman of the Meeting shall be elected from among the persons authorised to participate in the General Shareholders Meeting.



#### **Article 48**

1. Unless otherwise stipulated by the provisions of the Commercial Companies Code or the Company's Articles of Association, the General Shareholders Meeting may adopt resolutions irrespective of the number of shares represented at the Meeting.
2. At the General Shareholders Meeting, one share shall confer the right to one vote.

#### **Article 49**

The General Shareholders Meeting may order a break in the proceedings by a majority of two-thirds of votes. In total, the breaks may not last longer than thirty days.

#### **Article 50**

1. At the General Shareholders Meeting, votes shall be cast in open ballot.
2. Secret ballot shall be ordered in the case of voting on election or removal from office of members of the Company's governing bodies or its liquidator, on bringing them to account and on personnel matters.
3. Furthermore, secret ballot shall be ordered if at least one shareholder present or represented at the General Shareholders Meeting so demands.
4. The shareholders may participate in the General Shareholders Meeting and exercise their voting right in person or through proxies.

#### **Article 51**

The Annual General Shareholders Meeting shall be convened by the Management Board within six months from the end of each financial year.

#### **Article 52**

1. The Annual General Shareholders Meeting shall be convened in order to:
  - 1) review and approve the financial statements for the previous financial year and of the Directors' Report on the Company's operations,
  - 2) adopt a resolution on the distribution of profit or coverage of loss,
  - 3) grant discharge to the members of the Company's governing bodies in respect of the performance of their duties,
  - 4) set the dividend record date and dividend payment date.
2. The following issues shall require a resolution of the General Shareholders Meeting:
  - 1) appointment and removal from office of the Supervisory Board members,
  - 2) determination of the rules governing remuneration of the Supervisory Board members.
3. The following issues concerning the Company's assets shall require a resolution of the General Shareholders Meeting:

- 1) disposal or lease of the Company's enterprise or an organised part thereof, or establishment of limited property rights thereon,
  - 2) *Deleted*,
  - 3) execution by the Company of a loan, surety or other similar agreement with, or for the benefit of Supervisory Board member,
  - 4) increase in or reduction of the Company's share capital,
  - 5) issue of convertible bonds or bonds carrying pre-emptive right and issue of subscription warrants, referred to under Article 453.2 of the Commercial Companies Code,
  - 6) acquisition of its own shares by the Company, or granting authority to acquire such shares, under circumstances provided for in the Commercial Companies Code,
  - 7) mandatory buy-out in accordance with Article 418 of the Commercial Companies Code,
  - 8) creation, use and release of capital reserves,
  - 9) use of statutory reserve funds,
  - 10) making decisions with respect to claims for repair of damage caused upon the Company's formation or in the course of management or supervision of the Company,
  - 11) *Deleted*.
4. Furthermore, the following issues shall require a resolution of the General Shareholders Meeting:
- 1) merger, transformation or demerger of the Company,
  - 2) amendments to the Company's Articles of Association, including changes to the Company's business profile,
  - 3) dissolution and liquidation of the Company.
5. The following issues shall require approval of the General Shareholders Meeting:
- 1) establishment of another company by the Company,
  - 2) subscription for or acquisition of shares in another company,
  - 3) disposal of acquired or subscribed for shares in another company,
- if the value of shares acquired, subscribed for or obtained exceeds the PLN equivalent of EUR 500,000.00.
6. *Deleted*.
7. *Deleted*.

### **Article 53**

1. Proposals concerning the matters listed in Article 52 should be accompanied by an opinion issued by the Supervisory Board in writing. The Supervisory Board's opinion shall not be required in the case of proposals concerning Supervisory Board members,

in particular in the case of proposals concerning the matters stipulated in Article 52.1.3 and 52.2.

2. The requirement to issue an opinion on a proposal submitted by the Management Board shall not apply under circumstances referred to in Article 384.2 of the Commercial Companies Code.

#### **Article 54**

Material changes to the Company's business profile shall not require the buy-out of shares if a relevant resolution is adopted by the majority of two-thirds of votes in presence of shareholders representing at least 50% of the share capital.

### **VI. MANAGEMENT OF THE COMPANY'S RESOURCES**

#### **Article 55**

1. The Company's financial year shall be the calendar year.
2. *Deleted.*
3. *Deleted.*
4. *Deleted.*
5. *Deleted.*

#### **Article 56**

The Company's accounting books shall be maintained in compliance with the applicable accountancy laws and regulations.

#### **Article 57**

1. The Company shall establish the following types of capital and funds:
  - 1) share capital,
  - 2) statutory reserve funds,
  - 3) revaluation capital reserve,
  - 4) the Company Social Benefits Fund.
2. By virtue of a resolution of the General Shareholders Meeting, the Company may, at the beginning of or during the financial year, establish and release other funds/reserves to cover special losses or expenses, including in connection with dividend payment, share retirement, share capital increase, and other purposes.

#### **Article 58**

The Company's Management Board shall, within the timeframes and in compliance with the requirements set forth in other regulations:

- 1) prepare the Directors' Report and financial statements for the previous financial year, and financial statements of its Group,
- 2) have the documents referred to in Article 58.1 audited,
- 3) submit the documents referred to in Article 58.1, together with the chartered auditor's opinion and report, for review by the Supervisory Board,
- 4) submit to the Annual General Shareholders Meeting the documents referred to in Article 58.1, the chartered auditor's opinion and report, and the Supervisory Board's report referred to in Article 32.1.3.

### **Article 59**

1. The General Shareholders Meeting shall determine allocation of the Company's net profit by way of a resolution.
2. The General Shareholders Meeting shall make contributions from profit to statutory reserve funds in the amount equal to at least 8% of the profit for a given financial year until the statutory reserve funds amount to no less than one-third of the share capital. The amount of profit to be distributed as dividend should be divisible by the total number of the Company shares.
3. The General Shareholders Meeting may allocate a portion of the profit towards:
  - 1) dividend for the shareholders, with the proviso that the amount of profit to be distributed as dividend should be divisible by the total number of the Company shares,
  - 2) other long-term capitals and funds,
  - 3) other purposes defined by the General Shareholders Meeting by way of a resolution.
4. The Management Board is authorised to make an advance payment to the shareholders towards an anticipated dividend at the end of the financial year, in compliance with the Commercial Companies Code. Making the advance payment requires an approval of the Supervisory Board.

## **VII. FINAL PROVISIONS**

### **Article 60**

1. Unless otherwise required by applicable laws, all announcements shall be published by the Management Board solely at the Company's website.
2. Announcements convening the General Shareholders Meeting shall also be displayed on the notice board at the Company's registered office.
3. The Company's Management Board shall announce, within a month, resolutions of the General Shareholders Meeting adopted in accordance with Article 405.1 of the Commercial Companies Code, except for resolutions subject to registration.

4. The Company's Management Board shall file with the Registry Court having jurisdiction over the Company's registered office the documents required by law within the timeframes and in compliance with the rules set forth in other regulations.
5. If these Articles of Association are planned to be amended to a significant extent, the Management Board shall draft a new uniform text of the Articles of Association, along with a list of provisions to be amended or added, and shall attach the draft to the announcement convening the General Shareholders Meeting which is to amend the Articles of Association.
6. After the General Shareholders Meeting amends these Articles of Association, the Management Board shall draft a uniform text of the amended Articles of Association and shall submit it for acceptance by the Supervisory Board.
7. Wherever these Articles of Association refer to a given amount expressed as a PLN equivalent of a EUR amount, it shall be understood as an equivalent of that amount expressed in the Polish money, established based on the mid-exchange PLN/EUR rate quoted by the National Bank of Poland on the day preceding execution of a transaction by a relevant body of the Company authorised to express its consent to the execution of the transaction or to make a decision on execution of the transaction in relation with which this equivalent is calculated.