

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

**I. GENERAL PROVISIONS**

**Article 1**

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

**Article 2**

Registered office: Bogdanka, located in the Puchaczów commune in the Lublin province.

**Article 3**

1. The Company operates in the territory of the Republic of Poland and abroad. The Company may establish and close local offices, representative offices, branches and other establishments.
2. The Company may join other companies as shareholder or partner, and enter into various economic organisations in the Republic of Poland, abroad and in duty-free areas, in accordance with the applicable laws.

**Article 4**

1. The Company's business purpose is to conduct activities aimed at implementation of the mission and strategy of the ENEA Group, which define the interest of the ENEA Group.
2. The ENEA Group shall mean ENEA S.A. and other companies to which the ENEA Group Code applies.
3. The implementation of the mission and strategy of the ENEA Group cannot violate the legitimate interests of the Company's minority shareholders, in line with the principle of equal treatment of shareholders in the same circumstances as defined in Article 20 of the Commercial Companies Code and taking account of the Best Practice of WSE Listed Companies.

**Article 5**

The duration of the Company's activity is unlimited.

## **II. OBJECTS OF THE COMPANY**

### **Article 6**

The Company's objects, in accordance with the Polish Classification of Activity (PKD), are 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) financial 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. CAPITAL**

## **Article 7**

1. The Company's share capital amounts to PLN 170,067,950 (one hundred and seventy million, sixty-seven thousand, nine hundred and fifty zloty) 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 zloty) per share, including:
  - 1) 19,770,590 (nineteen million seven hundred seventy thousand five hundred and ninety) series A bearer shares bearing numbers from 00000001 to 19770590;
  - 2) 3,243,000 (three million two hundred and forty-three thousand) series B 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;
  - 3) 11,000,000 (eleven million) series C bearer shares numbered from 0000001 to 11000000.
2. The conditional share capital of the Company amounts to a maximum of PLN 6,802,725 (six million, eight hundred and two thousand seven hundred and twenty-five zloty) and is divided into not more than 1,360,545 (one million three hundred and sixty thousand five hundred and forty-five) ordinary series D bearer shares with a nominal value of PLN 5 (five zloty) each.
3. The purpose of the conditional increase in capital referred to in Section 2 is to grant the 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.
4. The Company's shares are registered shares or bearer shares.
5. Registered shares may be converted into bearer shares at a shareholder's request at any time.
6. Conversion of bearer shares into registered shares is inadmissible.
7. Shares may be taken up in exchange for cash or non-cash contributions.
8. Shares may be redeemed with the consent of the shareholder by being purchased by the Company (voluntary redemption).
9. The rules, procedures and terms of share redemption shall be determined from time to time by way of a resolution of the General Shareholders Meeting.

## **IV. GOVERNING BODIES**

## **Article 8**

The Company's governing bodies are:

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

## **GENERAL SHAREHOLDERS MEETING**

### **Article 9**

At the General Shareholders Meeting, one share corresponds to one vote.

### **Article 10**

General Shareholders Meetings are held at the Company's registered office, in Lublin, Warsaw or Poznań.

### **Article 11**

The General Shareholders Meeting adopts resolutions if at least half of the Company's share capital is represented at the General Shareholders Meeting.

### **Article 12**

1. The following matters, in addition to those resulting from applicable laws, require a resolution of the General Shareholders Meeting:
  - 1) review and approval of the financial statements for the previous financial year and of the Directors' Report on the Company's operations;
  - 2) decision on the distribution of net profit or coverage of net loss;
  - 3) discharging members of the Company's governing bodies of their duties;
  - 4) establishing a dividend date and dividend payment date;
  - 5) appointment and dismissal of the Supervisory Board members;
  - 6) determination of the number of the Supervisory Board members;
  - 7) determination of the rules and amounts of remuneration of the Supervisory Board members;
  - 8) disposal or lease of the Company's enterprise or an organised part thereof, or creation of limited property rights therein;

- 9) entry by the Company or its subsidiary into a loan, borrowing, surety or other similar agreement with, or for the benefit of, a Management Board member, a Supervisory Board member, a proxy or a liquidator;
  - 10) determination of the rules, procedures and terms of share redemption;
  - 11) creation and liquidation of the Company's funds or capital;
  - 12) adoption of the Rules of Procedure of the General Shareholders Meeting specifying in detail the rules for holding meetings and adopting resolutions;
  - 13) entering into and leaving the ENEA Group by the Company;
  - 14) implementing the ENEA Group Code.
2. Consent of the General Shareholders Meeting is not required in order for the Company to acquire or dispose of a real property, perpetual usufruct or interest in a real property.

### **Article 13**

Material changes to the Company's objects may be made without the buy-out of shares if a relevant resolution is adopted by the majority of two-thirds of votes in the presence of shareholders representing at least 50% of the share capital.

## **SUPERVISORY BOARD**

### **Article 14**

1. The Supervisory Board consists of 5 (five) to 9 (nine) members.
2. The Supervisory Board members are appointed for a joint term of office. The term of office of the Supervisory Board lasts three consecutive years.
3. The mandate of the Supervisory Board member arises when a member is appointed to their function, and expires on a date on which the General Shareholders Meeting approves the financial statements for the last full financial year in which the function is performed, or upon dismissal, resignation or death of the Supervisory Board member.
4. Subject to mandatory provisions of the Commercial Companies Code, resolutions of the Supervisory Board are adopted by the absolute majority of votes. In the event of a voting tie, the Chairman of the Supervisory Board has the casting vote.
5. The Supervisory Board may appoint standing and temporary committees from among its members. The Audit Committee is a standing committee at the Supervisory Board. The tasks of the committees and their by-laws are stipulated in the Rules of Procedure of the Supervisory Board.

## Article 15

1. The Supervisory Board may include independent members, who meet the following criteria:
  - a) they have no employment relationship or a similar legal relationship with the Company, any of its local offices or related entities;
  - b) they are not Supervisory Board or Management Board members at any of the Company's related entities;
  - c) they are not shareholders holding 5% or more of the total vote at the Company's General Shareholders Meeting or the Shareholders Meeting or General Shareholders Meeting of any of the Company's related entities;
  - d) they are not employees or Supervisory Board or Management Board members of an entity holding 5% or more of the total vote at the Company's General Shareholders Meeting or the Shareholders Meeting or General Shareholders Meeting of any of the Company's related entities,
  - e) they are not descendants or ascendants, spouses, siblings, parents of a spouse or adoptees of any of the persons listed in items a) to d) above.
2. An independent Supervisory Board member should meet the independence criteria stipulated in Article 15.1 throughout the entire term of his/her office. If the Supervisory Board 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.
3. An independent Supervisory Board member is obliged to immediately notify the Company in writing should he/she cease to meet the independence criteria stipulated in Article 15.1.
4. The related entity referred to in Article 15.1 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 provisions of the Commercial Companies Code.

## Article 16

1. Two members of the Supervisory Board are appointed by the General Shareholders Meeting from among the candidates selected by the Company's employees. The provisions of the previous sentence shall not apply to electing Supervisory Board members by voting in separate groups, referred to in Articles 385.3 to 385.9 of the Commercial Companies Code initiated upon the request of an entity not related to the Company within the meaning of Article 15.4 of the Company's Articles of Association.

2. Failure to select the Supervisory Board members referred to in Article 16.1 shall not prevent the Supervisory Board from operating.
3. The manner of selecting and dismissing the Supervisory Board members referred to in Article 16.1 is stipulated in the Rules of Selecting and Dismissing Supervisory Board Members Selected by the Company's Employees, which is approved by the Supervisory Board.

### **Article 17**

The powers of the Supervisory Board, apart from those resulting from applicable laws, include the following:

- 1) assessment of the Directors' Report on the Company's operations, the financial statements for the preceding financial year, the Directors' Report on the group's operations, and the consolidated financial statements of the group, if such reports are prepared;
- 2) appointment of a chartered auditor to audit the annual financial statements and the consolidated financial statements of the Company's group,
- 3) assessment of motions of the Management Board regarding the distribution of net profit or covering of net losses;
- 4) submission to the General Shareholders Meeting of an annual written report on the results of the assessments referred to in items 1 and 3;
- 5) adoption of the Rules of Procedure of the Supervisory Board, determining in detail the procedures of the Supervisory Board;
- 6) adoption of the uniform text of the Company's Articles of Association prepared by the Management Board;
- 7) granting consent for making an advance payment to the shareholders towards an anticipated dividend;
- 8) approving the Rules of Selecting and Dismissing Supervisory Board Members Selected by the Company's Employees;
- 9) appointing and dismissing the Management Board members;
- 10) determination of the rules and amounts of remuneration of the Management Board members;
- 11) suspending the Management Board members from office;
- 12) 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;

- 13) granting consent to Management Board members for taking positions on the governing bodies of other entities;
- 14) representing the Company in agreements and disputes between the Company and the Management Board members;
- 15) granting consent for the Company to enter into a significant agreement with a shareholder holding at least 5% of the total vote in the Company or a related entity. A significant agreement within the meaning of the previous sentence shall be an agreement whose value, on the date of the agreement, exceeds 10% of the value of the Company's consolidated equity established on the basis of the latest published financial statements of the Company. The above obligation does not apply to typical transactions and transactions executed on an arm's length basis within the Company's operating activities with entities that form part of the Company's group.

### **Article 18**

1. Supervisory Board members may participate in adopting resolutions of the Supervisory Board by casting their vote in writing through another Supervisory Board member. Casting a vote in writing may not concern items introduced to the agenda at the Supervisory Board meeting.
2. 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. The date of adoption of a resolution that has passed in writing is the date on which the resolution is signed by the last Supervisory Board member.

## **MANAGEMENT BOARD**

### **Article 19**

1. The Management Board is composed of 3 (three) to 7 (seven) members, including the President of the Management Board and the remaining members of the Management Board.
2. The Management Board members are appointed for a joint term of office. The term of office of the Management Board lasts three consecutive years.
3. The mandate of the Management Board member arises when a member is appointed to their function, and expires on a date on which the General Shareholders Meeting approves the financial statements for the last full financial year in which the function is performed, or upon dismissal, resignation or death of the Management Board member.



## **Article 20**

1. The Company's Management Board is obliged to administer the Company's affairs in order for the Company to achieve its objectives.
2. The Company's Management Board administers the Company's affairs in compliance with the ENEA Group Code adopted by the General Shareholders Meeting.

## **Article 21**

1. The Management Board shall be headed by the President of the Management Board.
2. Subject to mandatory provisions of the Commercial Companies Code, resolutions of the Management Board are adopted by the absolute majority of votes. In the event of a voting tie, the President of the Management Board has the casting vote.
3. The Management Board may adopt resolutions with the use of a telephone or other means of remote communication in a manner that makes it possible for all participating members to communicate directly and simultaneously.
4. The Management Board may adopt resolutions without holding a meeting by way of signing the same copy (copies) of a draft resolution or separate documents of the same wording, with a proviso that in order to adopt a resolution under this procedure, a statement of reasons for that resolution must be prepared beforehand and the draft resolution must be presented to all Management Board members together with the statement of reasons.
5. After the General Shareholders Meeting amends the Articles of Association, the Management Board shall draft a uniform text of the amended Articles of Association, and shall submit it for approval by the Supervisory Board.

## **Article 22**

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

## **Article 23**

1. The Management Board manages the Company's operations and represents the Company in relations with third parties.
2. A resolution of the Management Board is required for matters which fall outside the scope of the Company's ordinary course of business, including in particular:
  - 1) adoption of the Rules of Procedure of the Management Board;

- 2) adoption of the Organisational Rules of the Company's enterprise;
- 3) creation and liquidation of branches;
- 4) appointment of proxies and attorneys, with the exception of attorneys in litigation, with a proviso that a consent of all Management Board members is required in order to appoint a proxy;
- 5) adoption of a material and financial plan, including an investment plan;
- 6) the Company granting guarantees, suretyships and avals;
- 7) issuing and accepting promissory notes with a net value exceeding PLN 200,000 (two hundred thousand zloty);
- 8) carrying out other legal acts that result in assuming a liability or acquiring, disposing of, or encumbering non-current assets with a total net value of more than PLN 200,000 (two hundred thousand zloty);
- 9) any matters which are submitted by the Management Board for consideration by the Supervisory Board, the General Shareholders Meeting, or the ENEA Group's Committees.

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

### **Article 24**

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

### **Article 25**

The Company shall establish the following types of capital and funds:

- 1) share capital;
- 2) statutory reserve funds;
- 3) reserve capital;
- 4) revaluation reserve;
- 5) the Company Social Benefits Fund.

### **Article 26**

1. The General Shareholders Meeting shall, by way of a resolution, dispose of the profit, and in particular may exclude it from being distributed among the shareholders, assign

it in whole or in part to each capital or fund, and at the same time determine the manner in which these write-offs are used.

2. The Company may make advance payments to the shareholders towards an anticipated dividend if it holds sufficient funds to make such payments and approved financial statements for the previous financial year shows profit. Consent of the Supervisory Board is required in order to make the payment.

#### **Article 27**

The Company's loss shall be covered from the statutory reserve fund or reserve capital, and once they are exhausted, from the profits to be generated in the following years or, following a procedure for reducing the share capital, from that capital, unless the General Shareholders Meeting decides otherwise.

### **VI. FINAL PROVISIONS**

#### **Article 28**

1. Unless otherwise required by applicable laws, all announcements shall be published by the Management Board solely on 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. Under Article 4.2 of the Articles of Association, during the period in which the Company is not part of the Enea Group, the Supervisory Board shall have the powers specified in Article 32 of the Company's Articles of Association in its version before the amendments referred to in Resolution No. 3 of the Extraordinary General Shareholders Meeting of 17 August 2016, while the General Shareholders Meeting shall have the powers specified in Article 52 of the Company's Articles of Association in its version before the amendments referred to in Resolution No. 3 of the Extraordinary General Shareholders Meeting of 17 August 2016.
4. Any matters not provided for in these Articles of Association shall be governed by the provisions of the Commercial Companies Code.