

Statement of reasons for the amendments to the Articles of Association

The amendments to the Company's Articles of Association which have been put forward aim to further specify the matters related to the operations of the Company's Supervisory Board.

Currently, the examination for candidates for members of supervisory bodies is held by an examination board appointed by the minister for state assets, hence it is justified to introduce an additional provision to the Articles of Association under which a person who has taken an examination before the examination board appointed by the minister for state assets may also be appointed as member of the Supervisory Board.

Another proposed amendment concerns imposing an obligation on members of the Supervisory Board to notify the Company about a possible ceasing of meeting the requirements or criteria specified in the Company's Articles of Association (arising from Articles 19.1 to 19.3 and 19.5 of the Act on State Property Management Rules, and which are required to become a member of the Supervisory Board) as well as imposing an obligation on the body or entity appointing Supervisory Board members to immediately take measures to dismiss a member of the Supervisory Board. A similar solution is included in the Company's Articles of Association regarding the independence criteria for members of the Supervisory Board (in connection to the Company being a public company).

The final amendment introduces a new competence of the Supervisory Board which is to issue an opinion on all matters submitted by the Management Board to the General Shareholders Meeting to be decided on. The abovementioned competence will allow the Supervisory Board to take a position in relation to issues submitted by the Management Board to the General Shareholders Meeting as well as allow the Supervisory Board to actively take part in decision making concerning key areas for the Company.