

**Resolution No. 1**  
**OF THE EXTRAORDINARY GENERAL SHAREHOLDERS MEETING**  
**OF LUBELSKI WĘGIEL BOGDANKA SPÓŁKA AKCYJNA**  
**of 29 December 2017**

**regarding: electing the Chairman of the Extraordinary General Shareholders Meeting**

**Article 1**

Acting under Article 409.1 of the Polish Commercial Companies Code and Article 8 of the Rules of Procedure of the General Shareholders Meeting, the Extraordinary General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. with registered office in Bogdanka hereby elects Mr Szymon Jankowski to act as the Chairman of the General Shareholders Meeting.

**Article 2**

The Resolution shall become effective on the day of its adoption.

*In a secret voting over the resolution, the number of shares under which valid votes were cast was 26,585,028*

*The percentage of shares in the share capital under which valid votes were cast was 78.16%*

*Total number of votes cast: 26,585,028*

*Number of votes “for”: 26,585,028*

*Number of votes “against”: 0*

*Abstentions: 0*

*The resolution was adopted*

**Resolution No. 2**  
**OF THE EXTRAORDINARY GENERAL SHAREHOLDERS MEETING**  
**OF LUBELSKI WĘGIEL BOGDANKA SPÓŁKA AKCYJNA**  
**of 29 December 2017**

**regarding: adopting the agenda of the Extraordinary General Shareholders Meeting**

**Article 1**

The Extraordinary General Shareholders Meeting of Lubelski Węgiel BOGDANKA S.A. with registered office in Bogdanka adopts the agenda of the Extraordinary General Shareholders Meeting in the following wording:

- 1) Opening of the Extraordinary General Shareholders Meeting.
- 2) Electing the Chairman of the Extraordinary General Shareholders Meeting.
- 3) Acknowledging the Extraordinary General Shareholders Meeting to be validly convened and acknowledging its capacity to adopt resolutions;
- 4) Adopting the agenda.
- 5) Adopting a resolution on amending the Company's Articles of Association.
- 6) Adopting resolutions on changes in the composition of the Supervisory Board.
- 7) Adopting resolutions on amending resolutions No. 16 and No. 18 adopted by the Extraordinary General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. on 7 March 2017.
- 8) Miscellaneous.
- 9) Closing of the Extraordinary General Shareholders Meeting.

**Article 2**

The Resolution shall become effective on the day of its adoption.

*In an open voting over the resolution, the number of shares under which valid votes were cast was 26,585,028*

*The percentage of shares in the share capital under which valid votes were cast was 78.16%*

*Total number of votes cast: 26,585,028*

*Number of votes "for": 26,585,028*

*Number of votes "against": 0*

*Abstentions: 0*

*The resolution was adopted*

**Resolution No. 3**  
**OF THE EXTRAORDINARY GENERAL SHAREHOLDERS MEETING**  
**OF LUBELSKI WĘGIEL BOGDANKA SPÓŁKA AKCYJNA**  
**of 29 December 2017**

**regarding: on amending the Company's Articles of Association**

Acting under Article 430.1 of the Commercial Companies Code, the Extraordinary General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. with registered office in Bogdanka ("Company") hereby resolves as follows:

**Article 1**

The Extraordinary General Shareholders Meeting of the Company has decided to introduce amendments to the Articles of Association, which consist in replacing the entire wording of the existing Articles of Association with the following new wording, being the consolidated text thereof:

**“CONSOLIDATED TEXT OF THE ARTICLES OF ASSOCIATION**

**LUBELSKI WĘGIEL BOGDANKA SPÓŁKA AKCYJNA**

**I. GENERAL PROVISIONS**

**§ 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.

**§ 2**

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

**§ 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.

#### **§ 4**

1. The Company's purpose is to carry out tasks related to energy security of the country by implementing its mission and strategy, while taking into account the mission and strategy of the ENEA Group.
2. While the mission and strategy of the ENEA Group are pursued, the reasonable interests of the Company's minority shareholders cannot be impaired, in accordance with the principle of equal treatment of shareholders in the same circumstances within the meaning of Article 20 of the Polish Commercial Companies Code, with due consideration of best practices of the WSE listed companies.

#### **§ 5**

The duration of the Company is unlimited.

## **II. BUSINESS PROFILE**

#### **§ 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) 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**

#### **§ 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 00000001 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 00000001 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**

##### **§ 8**

The Company's governing bodies are:

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

#### **GENERAL SHAREHOLDERS MEETING**

##### **§ 9**

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

##### **§ 10**

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

## § 11

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

## § 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, subject to Article 16.4.
  - 6) determination of the number of the Supervisory Board members;
  - 7) determination of the rules for remuneration of Supervisory Board members and Management 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) adopting or repealing the ENEA Group Code following a recommendation of the Management Board and opinion of the Supervisory Board.
2. Furthermore, the following shall require a Resolution of the General Shareholders Meeting:
- 1) disposal of non-current assets, within the meaning of the Accountancy Act of 29 September 1994, recognized as intangible assets, tangible non-current assets or long-term investments, including contributions to a company or a cooperative, if the market value of such assets exceeds 5% of total assets, within the meaning of the Accountancy Act of 29 September 1994, as determined on the basis of the last approved financial statements, as well as transfer of such assets to another entity, for its use for a period longer than 180 days in a calendar year, based on a legal transaction, if the market value of the subject of that legal transaction exceeds 5% of total assets; 'transfer for use' in the case of:
    - a) rent, lease and other agreements for the transfer of an asset for paid use to other entities – the market value of the subject of the legal transaction is understood as the value of considerations:
      - for a year – if the asset is transferred under an open-term agreement,
      - throughout the term of the relevant agreement – in the case of fixed-term agreements,
    - b) lending and other agreements for the transfer of an asset for gratuitous use to other entities – the market value of the subject of the legal transaction is understood as the equivalent of considerations that would be due in the event of concluding a rent or lease agreement:
      - for a year – if the asset is transferred under an open-term agreement,
      - throughout the term of the relevant agreement – in the case of fixed-term agreements,
    - c) disposal of non-current assets, within the meaning of the Accountancy Act of 29 September 1994, the value of which exceeds:
      - PLN 100,000,000 (one hundred million zloty), or



- or 5% of total assets, within the meaning of the Accountancy Act of 29 September 1994, established on the basis of the last approved financial report,
- 2) acquisition of shares in another company the value of which exceeds:
    - PLN 100,000,000 (one hundred million zloty), or
    - or 10% of total assets, within the meaning of the Accountancy Act of 29 September 1994, established on the basis of the last approved financial report,
  - 3) disposal of shares in another company the value of which exceeds:
    - PLN 100,000,000 (one hundred million zloty), or
    - or 10% of total assets, within the meaning of the Accountancy Act of 29 September 1994, established on the basis of the last approved financial report,
3. Consent of the General Shareholders Meeting is not required in order to acquire or dispose of a real property, perpetual usufruct or interest in a real property, subject to the provisions of Article 12.2.

### **§ 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**

### **§ 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.

6. To become a member of the Supervisory Board, a person must fulfil the requirements set out in the Act on the Principles of State Property Management of 16 December 2016, including in particular obtain a positive opinion of the Council for Companies with State Treasury Interest and State Legal Persons, referred to in Article 24(1) of the above Act, and, furthermore:

- 1) have a third-level degree or a foreign third-level degree recognised in the Republic of Poland, on the basis of separate regulations, and have at least a 5-year history of employment under a contract of employment, appointment, election, nomination, cooperative contract of employment, or provision of services based on another contract, or business activity as a sole trader, and, furthermore, meet at least one of the following requirements:
  - a) hold a PhD in economics, law or technical sciences,
  - b) hold a professional title of a legal counsel, advocate, statutory auditor, tax advisor, investment advisor or restructuring advisor,
  - c) hold a Master of Business Administration (MBA),
  - d) hold a Chartered Financial Analyst (CFA) certificate,
  - e) hold a Certified International Investment Analyst (CIIA) certificate,
  - f) hold a certificate of the Association of Chartered Certified Accountants (ACCA),
  - g) hold a Certified in Financial Forensics (CFF) certificate,
  - h) have a confirmation of taking an examination before a commission appointed by the Minister of Privatisation, Minister of Industry and Trade, Minister of Treasury, or a Selection Board appointed on the basis of Article 15.2 of the Act on National Investment Funds and their Privatisation of 30 April 1993,
  - i) have a confirmation of taking an examination before a commission appointed by a minister for Treasury on the basis of Article 12.2 of the Act on Commercialisation and Privatisation of 30 August 1996,
  - j) have taken an examination for candidates for members of Supervisory Boards before an examination board appointed by the Prime Minister;
- 2) not be in an employment relationship with the company or provide work or services to it on the basis of another legal relationship;
- 3) not hold any shares in any subsidiary, with the exception of shares admitted to trading on a regulated market, within the meaning of the Act on Trading in Financial Instruments of 29 July 2005;
- 4) not remain in an employment relationship with the company referred to in Article 14.6.3 or provide work or services to it on the basis of another legal relationship;
- 5) not perform any occupations that would be in conflict with his/her duties as member of the Supervisory Board or could give rise to suspicion of being partial or self-serving or give rise to a conflict of interests regarding the company's operations;

- 6) meet requirements for a member of the Supervisory Board other than those set out in Articles 14.6.1 to 14.6.5, specified in separate regulations.
7. The prohibition to remain in an employment relationship referred to in Article 14.6.2 does not apply to persons elected to the Supervisory Board by employees.
8. The restrictions referred to in Article 14.6.4 do not apply to membership in the Supervisory Board.
9. The occupations referred to in Article 14.6.5 include holding an elected position in the Company's trade union.
10. A person who meets at least one of the following conditions may not be a member of the Supervisory Board:
  - 1) acts as social aide of an MP or is employed in the office of an MP, a senator, an MP and senator or an MEP on the basis of a contract of employment, or performs work under a contract of mandate or other contract of a similar nature;
  - 2) is a member of a body of a political party which represents the political party outside and is entitled to incur liabilities,
  - 3) is employed by a political party on the basis of a contract of employment, or provides work on under a contract of mandate or other contract of a similar nature.

## **§ 15**

1. Independent members may be appointed to the Supervisory Board, provided that they meet the criteria set out in Article 129.3 of the Act on Statutory Auditors, Auditing Firms and Public Supervision of 11 May 2017, as well as the criteria included in the Code of Best Practice for WSE Listed Companies.
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.

## **§ 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.
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.

4. As long as Enea S.A. holds more than 50% of shares in the Company's share capital, the State Treasury represented by the Minister of Energy shall have the right to appoint and remove one member of the Supervisory Board by way of a written statement filed to the Company's Management Board. Such an appointment or removal shall be effective once a relevant statement is filed to the Management Board and shall not require a resolution of the General Shareholders Meeting.

## § 17

1. 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 members of the Management Board, including the President of the Management Board, subject to the provisions of Article 17.2;
  - 10) determination of the remuneration of 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) approval of material and financial plans, long-term development plans, and area strategies adopted by the Management Board;
  - 15) granting consent for purchasing and disposing of fixed assets the value of which exceeds PLN 20,000,000 (twenty million zloty);
  - 16) representing the Company in agreements and disputes between the Company and the Management Board members;
  - 17) 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.
  - 18) granting consent to enter into:
    - a) a contract for legal services, marketing services, public relations and social communication services, and management consulting services, if the amount of the expected total remuneration for those services exceeds PLN 500,000 (five hundred thousand zloty) net annually,
    - b) an amendment to a contract for legal services, marketing services, public relations and social communication services, and management consulting services which raises the remuneration above PLN 500,000 (five hundred thousand zloty) net annually,
    - c) a contract for legal services, marketing services, public relations and social communication services, and management consulting services which does not stipulate the maximum remuneration,
    - d) a donation agreement or other agreement with a similar effect the value of which exceeds PLN 20,000 (twenty thousand zloty), or 0.1% of total assets, within the meaning of the Accountancy Act of 29 September 1994, established on the basis of the last approved financial report,
    - e) contract for release from a debt or other agreement of a similar effect, in excess of PLN 50,000 (in words: fifty thousand) or 0.1% of total assets within the meaning of the Accountancy Act of 29 September 1994, as determined on the basis of the last approved financial statements;

- 19) giving an opinion on the report on hospitality expenditure presented to the General Shareholders Meeting by the Management Board, as well as on expenses on legal services, marketing services, public relations and social communication services, and management consulting services.
2. The Supervisory Board appoints a member of a management body after completing a recruitment procedure, the purpose of which is to check and assess the qualifications of candidates and to select the best candidate for a member of the management body.
3. The Supervisory Board, by initiating the recruitment procedure for the position of member of a management body, determines, by way of resolution, the detailed rules and course of the recruitment procedure for member of a management body, including in particular: the position being the subject of the procedure, the date and place of receiving applications, the date and place of the interview, the scope of issues being the subject of the interview, the requirements, and the method of assessment of the candidate.

### **§ 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**

### **§ 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.

4. A candidate for a member of the Company’s Management Board must meet all of the following conditions:
  - a) have a third-level degree or a foreign third-level degree recognised in the Republic of Poland, on the basis of separate regulations,
  - b) have at least a 5-year history of employment under a contract of employment, appointment, election, nomination, cooperative contract of employment, or provision of services based on another contract, or business activity as a sole trader,
  - c) have at least 3 years of experience in managerial or independent positions, or resulting from carrying on business activity as a sole trader,
  - d) meet requirements other than those listed in Articles 19.4.a to 19.4.c specified in separate regulations, and in particular not violate any restrictions or prohibitions on taking the position of a member of a management body in commercial companies.
5. Furthermore, a person who meets at least one of the following conditions may not be a candidate for a member of the Company’s Management Board:
  - a) acts as social aide of an MP or is employed in the office of an MP, a senator, an MP and senator or an MEP on the basis of a contract of employment, or performs work under a contract of mandate or other contract of a similar nature,
  - b) is a member of a body of a political party which represents the political party outside and is entitled to incur liabilities,
  - c) is employed by a political party on the basis of a contract of employment, or provides work on under a contract of mandate or other contract of a similar nature,
  - d) holds an elected position in the Company’s trade union or any Group company’s trade union,
  - e) his/her social or commercial activity raises a conflict of interests regarding the company’s operations.

## **§ 20**

1. The Company’s Management Board is obliged to handle the Company’s affairs in order to attain its goal.
2. The Company’s Management Board handles the Company’s affairs in accordance with the purpose and interests of the Company and the ENEA Group Code, with the exception of the regulations regarding the functioning of the Management Divisions specified in the Group Code.

## **§ 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 a 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.

## **§ 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.

## **§ 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.
3. At least once a year, the Management Board is obliged to submit to the General Shareholders Meeting a report on hospitality expenditure, as well as on expenses on legal services, marketing services, public relations and social communication services, and management consulting services, which report shall have first obtained an opinion of the Supervisory Board.

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

### **§ 24**

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

### **§ 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.

### **§ 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.

## § 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.

## § 28

1. Disposal by the Company of any non-current assets, within the meaning of the Accountancy Act of 29 September 1994, the value of which exceeds 0.1% of total assets, as determined on the basis of the last approved financial statements, takes place by way of a tender, unless the value of the disposed asset does not exceed PLN 20,000 (twenty thousand zloty).

2. The Company may dispose of non-current assets without conducting a tender where:

- 1) the subject matter of the contract are shares or other financial non-current assets or licences, patents or other industrial property rights or know-how, if the conditions and the procedure for sale, other than a public tender, are determined in a resolution of the Supervisory Board,
- 2) the disposal takes place in liquidation proceedings on the terms specified in a resolution of the General Shareholders Meeting, subject to separate provisions,
- 3) the asset to be disposed of are residential premises owned by the company, and the sale takes place at a price not lower than 50% of their market value and is made to the tenant or to a close relative permanently residing with the tenant, within the meaning of Article 4.13 of the Act on Real Property Management of 21 August 1997; the price is determined taking into account that the asset to be sold are occupied premises; the value of any improvements made by the tenant counts towards the price of the premises,
- 4) in other justified cases at the request of the Management Board, at a price and under the terms determined by a resolution of the Supervisory Board,
- 5) the disposal takes place to any subsidiary or company in the ENEA Group,
- 6) the asset to be sold are CO2 emission rights and their equivalents.

3. The following procedure for disposal of fixed assets is established:

- 1) a tender notice is posted on the Company's website;
- 2) the tender may not be held earlier than 14 days from the day of the tender notice;
- 3) the following may not participate in the tender as bidders:
  - a) management Board and Supervisory Board Members,
  - b) the business entity conducting the tender at the request of the Company and members of its Management Board and Supervisory Board,

- c) persons entrusted with performing any activities related to the tender,
  - d) the spouse, children, parents and siblings of the persons referred to in Articles 28.3.3.a to 28.3.3.c,
  - e) persons who remain in such a legal or factual relationship with the organiser of the tender that may give rise to justified doubts as to the impartiality of the organiser.
4. The condition to take part in the tender is to submit a bid bond in the amount of at least 5% of the starting price of the non-current asset to be sold. The authorisation referred to in section 8 may provide for a higher bid bond.
5. Prior to the tender, the Company determines the starting price, which may not be lower than the current market value, as determined by experts; if this value cannot be determined, the starting price may not be lower than the net book value.
6. The Company may refrain from the valuation of the non-current asset to be sold by an expert where:
- 1) the cost of its valuation would obviously exceed the market value,
  - 2) the non-current asset has a fixed market price.
7. A tender may be carried out in the form of:
- 1) oral tender,
  - 2) written tender.
8. The Rules defining the detailed manner of execution and conducting the tender are defined by the Company, taking into account the provisions of Article 28 hereof.
9. The organiser of the tender has the right to close the tender without choosing any of the offers, without giving reasons.
10. The bidder who offers the highest price wins the tender.

## **VI. FINAL PROVISIONS**

### **§ 29**

- 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. Pursuing the Mission and Strategy of the ENEA Group may not violate the interests of the Company.

4. Any matters not provided for in these Articles of Association shall be governed by the provisions of the Commercial Companies Code.”

## Article 2

The Resolution will enter into force upon its adoption, with effect from the date of entry of the amendments to the register of businesses of the National Court Register.

*In an open voting over the resolution, the number of shares under which valid votes were cast was 26,585,028*

*The percentage of shares in the share capital under which valid votes were cast was 78.16%*

*Total number of votes cast: 26,585,028*

*Number of votes “for”: 22,777,214*

*Number of votes “against”: 882,814*

*Abstentions: 2,925,000*

*The resolution was adopted*

**Resolution No. 4**  
**OF THE EXTRAORDINARY GENERAL SHAREHOLDERS MEETING**  
**OF LUBELSKI WĘGIEL BOGDANKA SPÓŁKA AKCYJNA**  
**of 29 December 2017**

**regarding: on removal of a member of the Supervisory Board**

**Article 1**

Acting under Article 385.1 of the Commercial Companies Code and Article 12.1.5 of the Articles of Association of Lubelski Węgiel Bogdanka S.A. in Bogdanka (“Company”), the Extraordinary General Shareholders Meeting hereby removes Ms Magdalena Kaczmarek from the Company’s Supervisory Board.

**Article 2**

The Resolution will enter into force on the day of its adoption.

*In a secret voting over the resolution, the number of shares under which valid votes were cast was 26,585,028*

*The percentage of shares in the share capital under which valid votes were cast was 78.16%*

*Total number of votes cast: 26,585,028*

*Number of votes “for”: 22,448,834*

*Number of votes “against”: 728,457*

*Abstentions: 3,407,737*

*The resolution was adopted*

**Resolution No. 5**  
**OF THE EXTRAORDINARY GENERAL SHAREHOLDERS MEETING**  
**OF LUBELSKI WĘGIEL BOGDANKA SPÓŁKA AKCYJNA**  
**of 29 December 2017**

**regarding: on appointment of a member of the Supervisory Board**

**Article 1**

Acting under Article 385.1 of the Commercial Companies Code and Articles 12.1.5 and 14.2 of the Articles of Association of Lubelski Węgiel Bogdanka S.A. in Bogdanka (“Company”), the Extraordinary General Shareholders Meeting hereby appoints Ms Ewa Nowaczyk to the Company’s Supervisory Board. Members of the Supervisory Board are appointed for a joint three-year term of office.

**Article 2**

The Resolution will enter into force on the day of its adoption.

*In a secret voting over the resolution, the number of shares under which valid votes were cast was 26,585,028*

*The percentage of shares in the share capital under which valid votes were cast was 78.16%*

*Total number of votes cast: 26,585,028*

*Number of votes “for”: 22,448,834*

*Number of votes “against”: 728,457*

*Abstentions: 3,407,737*

*The resolution was adopted*

**Resolution No. 6**  
**OF THE EXTRAORDINARY GENERAL SHAREHOLDERS MEETING**  
**OF LUBELSKI WĘGIEL BOGDANKA SPÓŁKA AKCYJNA**  
**of 29 December 2017**

**regarding: on amending the text of Resolution No. 16 adopted by the  
Extraordinary General Shareholders Meeting of Lubelski Węgiel  
Bogdanka S.A. on 7 March 2017**

**Article 1**

The Extraordinary General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. has decided to amend the text of Resolution No. 16 adopted by the Extraordinary General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. on 7 March 2017 by replacing the existing wording found after the word “by” in Article 3 of that Resolution:

“15 November 2017”, with the following new wording: “31 December 2018”

**Article 2**

The Resolution will enter into force on the day of its adoption.

*In a secret voting over the resolution, the number of shares under which valid votes were cast was 26,585,028*

*The percentage of shares in the share capital under which valid votes were cast was 78.16%*

*Total number of votes cast: 26,585,028*

*Number of votes “for”: 25,477,914*

*Number of votes “against”: 7,114*

*Abstentions: 1,100,000*

*The resolution was adopted*

**Resolution No. 7**  
**OF THE EXTRAORDINARY GENERAL SHAREHOLDERS MEETING**  
**OF LUBELSKI WĘGIEL BOGDANKA SPÓŁKA AKCYJNA**  
**of 29 December 2017**

**regarding: on amending the text of Resolution No. 18 adopted by the  
Extraordinary General Shareholders Meeting of Lubelski Węgiel  
Bogdanka S.A. on 7 March 2017**

**Article 1**

The Extraordinary General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. has decided to amend the text of Resolution No. 18 adopted by the Extraordinary General Shareholders Meeting of Lubelski Węgiel Bogdanka S.A. on 7 March 2017 by replacing the existing wording found after the word “by” in Article 3 of that Resolution:

“15 November 2017”, with the following new wording: “31 December 2018”

**Article 2**

The Resolution will enter into force on the day of its adoption.

*In a secret voting over the resolution, the number of shares under which valid votes were cast was 26,585,028*

*The percentage of shares in the share capital under which valid votes were cast was 78.16%*

*Total number of votes cast: 26,585,028*

*Number of votes “for”: 25,477,914*

*Number of votes “against”: 7,114*

*Abstentions: 1,100,000*

*The resolution was adopted*