



Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, July 15th 2015

Consolidated Text of PGNiG SA's Articles of Association

Current Report No. 57/2015

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG") hereby publishes posted below, adopted on July 15th 2015 by the Supervisory Board of PGNiG, consolidated text of the Company's Articles Of Association after the changes, adopted by the Annual General Meeting of PGNiG of April 16th 2015, which was entered in the Register on May 11th 2015.

See also: Current Report No. 31/2015 and 46/2015

**Appendix to Resolution No. 40/VII/2015 of the PGNiG S.A. Supervisory Board
dated July 15th 2015**

**ARTICLES OF ASSOCIATION OF
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
of Warsaw**

**adopted by the Minister of State Treasury
in the Deed of Transformation of a State-Owned Enterprise into a Joint-Stock Company,
contained in a Notarial Deed of October 21st 1996 (Rep. A No. 18871/96).**



CONSOLIDATED TEXT

approved by virtue of Resolution No. 40/VII/2015 of the PGNiG S.A. Supervisory Board
dated July 15th 2015

I. GENERAL

Article 1

1. The Company shall operate under the name of "Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna".
2. The Company may use the abbreviated name of "PGNiG S.A." and a distinctive logo.
3. In commercial transactions the Company may use the name in English: "Polish Oil and Gas Company", and the acronym: "POGC".

Article 2

1. The Company's registered office shall be in Warsaw.
2. The Company shall operate in the Republic of Poland and abroad.
3. The Company may form and operate branches, plants, establishments, offices, representative offices and other units, form companies and partnerships, and have interests in other companies, partnerships and ventures in the Republic of Poland and abroad.

Article 3

1. The Company has been created through the commercialisation of a state-owned enterprise under the name of "Polskie Górnictwo Naftowe i Gazownictwo w Warszawie".
2. The Company is a joint-stock company of special importance to Poland's economy.

Article 4

1. The Company has been formed for an indefinite term.
2. The Company shall perform activities aimed at ensuring the energy security of Poland, which shall comprise:
 - 1) ensuring continuity of gas supplies to consumers and maintaining the necessary reserves of gas;
 - 2) ensuring safe operation of gas networks;
 - 3) ensuring gas fuels balance, managing the operations and capacity of power equipment connected to the common gas distribution network;
 - 4) natural gas production.

Article 5

The Company shall be governed in particular by the provisions of the Act on Commercialisation and Privatisation of August 30th 1996 (Dz. U. of 2002, No. 171, item 1397, as amended), the Commercial Companies Code of September 15th 2000 (Dz. U. No. 94, item 1037, as amended), and these Articles of Association.

II. BUSINESS PROFILE

Article 6

The Company shall engage in production, service and trade activities in the following areas:

- 1) trade of gas fuel through mains,
- 2) natural gas extraction,
- 3) crude oil extraction,
- 4) test drilling and boring,
- 5) construction of transmission pipelines and distribution systems,
- 6) service activities incidental to oil and gas extraction,
- 7) service activities incidental to other extraction and quarrying,
- 8) extraction of chemical and fertiliser minerals,
- 9) other extraction and quarrying n.e.c.,
- 10) manufacture and processing of refined petroleum products,
- 11) production of gas fuels,
- 12) wholesale of chemical products,
- 13) wholesale of other intermediate products,
- 14) retail sale of automotive fuel in specialised stores,
- 15) wholesale of fuels and related products,
- 16) construction of plumbing, heating, gas and air conditioning installations,
- 17) repair and maintenance of machinery,
- 18) repair of motor vehicles other than motorcycles,
- 19) transport of gas fuels via pipelines,
- 20) transport of other products via pipelines,
- 21) freight transport by road,
- 22) storage and warehousing of gas fuels,
- 23) storage and warehousing of other products,
- 24) manufacture of industrial gases,
- 25) manufacture of other chemical products n.e.c.,
- 26) wholesale of waste and scrap,
- 27) other research and experimental development on natural sciences and engineering,
- 28) engineering activities and related technical consultancy,
- 29) other professional, scientific and technical activities n.e.c.,
- 30) other technical testing and analysis,
- 31) installation of industry machinery and equipment,
- 32) production and supply of steam, hot water and air for air-conditioning systems,
- 33) other specialised construction activities, n.e.c.,
- 34) wired telecommunications activities,
- 35) wireless telecommunications activities other than satellite telecommunications services,
- 36) satellite telecommunications activities,
- 37) other telecommunications activities,
- 38) production of electricity,
- 39) distribution of electricity,
- 40) trade of electricity,
- 41) renting and leasing of other machinery, equipment and tangible goods n.e.c.,
- 42) financial leasing,
- 43) other financial service activities, except insurance and pension funding n.e.c., including debt trading for own account,
- 44) other activities auxiliary to financial services, except insurance and pension funding,
- 45) other credit granting,
- 46) dealing in financial markets on behalf of others (e.g. stock broking) and related activities,
- 47) securities brokerage,
- 48) commodity contracts brokerage,

- 49) other activities auxiliary to insurance and pension funding,
- 50) administration of financial markets,
- 51) accounting and book-keeping activities; tax consultancy,
- 52) activities of head offices and holding companies other than financial holdings,
- 53) activities of agents involved in the sale of fuels, ores, metals and industrial chemicals,
- 54) activities of agents involved in the sale of a variety of goods,
- 55) wholesale of hardware, plumbing and heating equipment and supplies,
- 56) computer facilities management activities,
- 57) data processing; hosting and related activities,
- 58) other information technology and computer service activities,
- 59) computer programming activities,
- 60) reproduction of recorded media,
- 61) repair and maintenance of electronic and optical equipment,
- 62) repair and maintenance of electrical equipment,
- 63) wholesale of computers, computer peripheral equipment and software,
- 64) wholesale of electronic and telecommunications equipment and parts,
- 65) wholesale of other office machinery and equipment,
- 66) wholesale of other machinery and equipment,
- 67) publishing of directories and mailing lists,
- 68) other software publishing,
- 69) computer consultancy activities,
- 70) web portals,
- 71) other information service activities n.e.c.,
- 72) engineering activities and related technical consultancy,
- 73) renting and leasing of office machinery and equipment (including computers),
- 74) leasing of intellectual property and similar products, except copyrighted works,
- 75) repair and maintenance of computers and computer peripheral equipment,
- 76) repair and maintenance of (tele)communications equipment,
- 77) repair and maintenance of consumer electronics,
- 78) other service activities n.e.c.,
- 79) call centre activities,
- 80) other publishing activities,
- 81) service activities related to printing,
- 82) other printing,
- 83) photocopying, document preparation and other specialised office support activities,
- 84) other human resources provision,
- 85) other business support service activities n.e.c.,
- 86) water collection, treatment and supply,
- 87) non-specialised wholesale,
- 88) library activities,
- 89) archive activities,
- 90) museums activities,
- 91) buying and selling of own real estate,
- 92) operating of real estate on a fee or contract basis,
- 93) renting and operating of own or leased real estate,
- 94) other education n.e.c.,
- 95) renting and leasing of cars and light motor vehicles,
- 96) renting and leasing of other motor vehicles excluding motorcycles,
- 97) tour operator activities,
- 98) hotels and similar accommodation,
- 99) holiday and other short-stay accommodation,
- 100) camping grounds, recreational vehicle parks and trailer parks,
- 101) other accommodation,
- 102) retail sale in non-specialised stores with food, beverages or tobacco predominating,
- 103) other retail sale in non-specialised stores,

- 104) retail trade not in stores, stalls or markets,
- 105) organisation of conventions and trade shows,
- 106) other amusement and recreation activities.

III. CAPITAL

Article 7

The Company's share capital shall amount to PLN 5,900,000,000 (five billion, nine hundred million) and shall comprise:

- (a) 4,250,000,000 Series A bearer shares, numbered from 00 000 000 001 to 04 250 000 000, with a par value of PLN 1 per share and total par value of PLN 4,250,000,000;
- (b) 750,000,000 Series A1 bearer shares, numbered from 0 000 000 001 to 0 750 000 000, with a par value of PLN 1 per share and total par value of PLN 750,000,000;
- (c) 900,000,000 Series B bearer shares, numbered from 0 000 000 001 to 0 900 000 000, with a par value of PLN 1 per share and total par value of PLN 900,000,000.

Article 8

- 1. Company shares may be issued in registered or bearer form.
- 2. Save for Series A1 shares, the share issues shall be designated with successive letters of the alphabet.

Article 9

[deleted]

Article 10

- 1. Company shares may be retired.
- 2. Retirement of the shares shall be subject to the shareholder's consent.
- 3. The terms and conditions as well as the procedure for share retirement shall be each time determined by virtue of a resolution of the General Meeting.

Article 11

- 1. The share capital may be increased by virtue of a resolution of the General Meeting through an issue of new shares (in registered or bearer form) or an increase in the par value of the existing shares.
- 2. A share capital increase through an increase in the par value of the shares may be financed only with the Company's internally generated funds.

Article 12

The Company may acquire own shares in the cases provided for in Article 362.1 of the Commercial Companies Code.

Article 13

The share capital may be reduced in accordance with the provisions of Article 455 – 458 of the Commercial Companies Code.

Article 14

An increase in the share capital shall be effected in accordance with the provisions of Article 396 of the Commercial Companies Code.

IV. SHAREHOLDER RIGHTS AND OBLIGATIONS

Article 15

Company shares shall be transferable.

Article 16

1. Eligible employees shall have the right to acquire free of charge up to 15% of the shares subscribed for by the State Treasury on the date of registration of the Company, on the terms and conditions stipulated in the Act on Commercialisation and Privatisation and in the Regulation of the Minister of State Treasury on detailed rules governing division of eligible employees into groups, determination of the number of shares to be allocated to each group, and on the procedure of acquisition of shares by eligible employees of January 29th 2003 (Dz. U. of 2003, No 35, item 303, as amended).
2. Shares acquired by eligible employees in accordance with Article 16.1 above may not be traded prior to the lapse of two years from the date of sale of the first shares by the State Treasury on general terms, with the proviso that any shares acquired by employees acting in the positions of Management Board members may not be traded prior to the lapse of three years from the date of sale of the first shares by the State Treasury on general terms. Such shares may not be converted into bearer shares in the periods indicated above.
3. Shares acquired by eligible employees within the time frames referred to in Article 16.2 above may not be subject to mandatory repurchase referred to in Article 418 of the Commercial Companies Code.
4. The Company shall provide the State Treasury with the required assistance in connection with the exercise of the right referred to in Article 16.1 above.

Article 17

1. The State Treasury, as a Company shareholder represented by the minister competent for matters pertaining to the State Treasury, shall have the rights provided for in these Articles of Association and other regulations.
2. The following issues shall be subject to approval by the State Treasury as a Company shareholder, represented by the minister competent for matters pertaining to the State Treasury, with such approval to be issued in writing:
 - 1) amendments to material provisions of existing commercial contracts on natural gas imports to Poland, or execution of new commercial contracts on natural gas imports to Poland,
 - 2) implementation of strategic investment projects or the Company's involvement in investment projects that result in a lasting or temporary deterioration of the economic

efficiency of the Company's operations but that are required for ensuring the energy security of Poland.

3. Proposals submitted with respect to the issues referred to in Article 17.2 above should be accompanied by a statement of reasons by the Management Board and a written opinion from the Supervisory Board.

V. GOVERNING BODIES

Article 18

The Company's governing bodies shall be:

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

Article 19

1. Subject to the mandatory provisions of the Commercial Companies Code and these Articles of Association, resolutions of the Company's governing bodies shall be passed with an absolute majority of votes, understood as the situation where the number of votes "in favour" of a resolution exceeds the total number of votes "against" and abstentions, with the proviso that:
 - 1) in the event that the number of votes "in favour" of a resolution of the Management Board is equal to the total number of votes "against" and abstentions, the President of the Management Board shall have the casting vote,
 - 2) in the event that the number of votes "in favour" of a resolution of the Supervisory Board is equal to the total number of votes "against" and abstentions, the Chairperson of the Supervisory Board shall have the casting vote.
2. The voting rights of the Company shareholders shall be restricted so that at the General Meeting none of them can exercise more than 10% of the total vote at the Company as at the date of the General Meeting, provided that such a restriction of the voting rights shall be deemed non-existent for the purpose of determining the obligations of buyers of major holdings of shares provided for in the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005.
3. The restriction of the voting rights referred to in Article 19.2 above shall not apply to the shareholders specified in Article 67.
4. For the purpose of restricting the voting right pursuant to Article 19.2 above, the votes of shareholders bound by a parent-subsidiary relationship (Shareholder Group) shall be aggregated and if the aggregated number of votes exceeds 10% (ten percent) of the total vote at the Company, it shall be subject to reduction. The rules governing the aggregation and reduction of votes are set out in Article 19.7 and 19.8 below.
5. A shareholder within the meaning of Article 19.2 shall be any person, including a parent and a subsidiary, that is entitled, directly or indirectly, to vote at the General Meeting, on the basis of any legal title, including persons who do not hold any Company shares, in particular usufructuaries, pledgees, or holders of rights under depositary receipts, as defined in the Act on Trading in Financial Instruments of July 29th 2005, as well as persons entitled to participate in the General Meeting despite having disposed of their shareholdings after the record date.
6. A parent and a subsidiary, as the case may be, shall mean a person who:
 - 1) meets the relevant criteria set forth in Article 4.1.4) of the Commercial Companies Code, or

- 2) is a parent, a subsidiary or both a parent and a subsidiary within the meaning of the Act on Competition and Consumer Protection of February 16th 2007, or
 - 3) is a parent, ultimate parent, subsidiary, lower-tier subsidiary, jointly-controlled entity or both a parent (including an ultimate parent) and a subsidiary (including a lower-tier subsidiary and a jointly-controlled entity) within the meaning of the Accountancy Act of September 29th 1994, or
 - 4) exerts (in the case of a parent) or is subject to (in the case of a subsidiary) significant influence, within the meaning of the Act on the Transparency of Financial Relations between State Authorities and State-Controlled Enterprises, as well as on Financial Transparency of Certain Entrepreneurs of September 22nd 2006, or
 - 5) whose votes conferred by Company shares held directly or indirectly are aggregated with the votes of another person or persons pursuant to the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005, in connection with the holding, disposal or acquisition of major holdings of shares in the Company.
7. The aggregation of votes shall involve the adding up of all the votes held by individual shareholders in a Shareholder Group.
 8. The reduction of votes shall involve decreasing the total number of votes at the General Meeting of the Company held by shareholders being members of a Shareholder Group down to the threshold of 10% (ten percent) of the total vote at the Company. The reduction of votes shall be made as follows:
 - 1) the number of votes of the shareholder holding the highest number of votes in the Company from among all the shareholders in a Shareholder Group shall be reduced by the number of votes in excess of 10% of the total number of votes at the Company held by all the shareholders in the Shareholder Group;
 - 2) if, despite the reduction referred to in Article 19.8.1 above, the total number of votes at the General Meeting held by the shareholders in the Shareholder Group exceeds the threshold of 10% (ten percent) of the total vote at the Company, the number of votes held by the other shareholders in the Shareholder Group shall be further reduced (in the following order: from the shareholders holding the highest number of votes to the shareholders holding the lowest number of votes). The number of votes of the Shareholding Group shall be further reduced until the total number of votes held by the shareholders in the Shareholder Group does not exceed 10% (ten percent) of the total vote at the Company;
 - 3) if the order for the purpose of the reduction of votes referred to in Article 19.8.1 (or 19.8.2) cannot be established due to the fact that two or more shareholders hold the same number of votes, the votes of the shareholders holding the same number of votes shall be reduced proportionally, with fractional numbers rounded down to the whole number of shares. To the extent not provided for above, the rules set forth in Article 19.8.1 or 19.8.2 shall apply accordingly;
 - 4) a shareholder whose voting rights have been restricted shall in each case retain the right to exercise at least one vote;
 - 5) the restriction of voting rights shall also apply to shareholders absent from the General Meeting.
 9. Every shareholder who intends to participate, in person or by proxy, in the General Meeting shall be required, without a separate request referred to in Article 19.10 below, to notify the Management Board or the Chairperson of the General Meeting of the fact of holding, directly or indirectly, more than 10% (ten percent) of the total vote at the Company.

10. Notwithstanding the provisions of Article 19.9 above, in order to establish the basis for the aggregation or reduction of votes, each of the Company's shareholders, the Management Board, the Supervisory Board or individual members of such bodies may request a Company shareholder to disclose whether such a shareholder is the parent or a subsidiary of another shareholder within the meaning of Article 19.6 above. The power referred to in the preceding sentence shall also include the right to request the disclosure of the number of votes held by a Company shareholder individually or jointly with other Company shareholders.
11. A person who fails to perform or incorrectly performs the disclosure obligation referred to in Article 19.9 and 19.10 above may vote only one share until the disclosure obligation is duly fulfilled and any attempts to vote the remaining shares shall be ineffective.

A. MANAGEMENT BOARD

Article 20

1. The Management Board shall manage the Company's affairs and shall represent the Company in and out of court.
2. The powers and responsibilities of the Management Board shall include all the matters connected with managing the Company's affairs other than those which fall within the exclusive scope of competence of the General Meeting or the Supervisory Board under applicable laws or these Articles of Association.
3. The Management Board shall be headed by the President of the Management Board.

Article 21

1. Declarations of will may be made on behalf of the Company by two Management Board members acting jointly or one Management Board member acting jointly with a commercial proxy.
2. Appointment of a commercial proxy shall require a unanimous resolution of all members of the Management Board. The powers of proxy granted to a commercial proxy may be revoked by any member of the Management Board.
3. The Management Board shall be the manager of an organisational unit as defined in the special regulations.
4. Acts in law falling within the scope of responsibility of the manager of an organisational unit under the special regulations shall be performed by the member of the Management Board specified in the Resolution referred to in Article 22.2.5 acting individually.
5. The Management Board may appoint proxies.
6. The manner of operation of the Management Board shall be defined in detail in the rules of procedure adopted by the Management Board and approved by the Supervisory Board. In justified cases, votes may be cast by written ballot or by using means of remote communication, with the minutes of such voting to be approved at the next meeting of the Management Board.

Article 22

1. Any issues which fall beyond the scope of the day-to-day management of the Company's affairs shall require a resolution of the Management Board.
2. A resolution of the Management Board shall be required in particular for:
 - 1) adoption of the rules of procedure for the Management Board;
 - 2) adoption of the Company's organisational rules;
 - 3) formation and liquidation of branches;

- 4) appointment of a commercial proxy;
- 5) division of authority between the Management Board members, provided, however, that a relevant resolution of the Management Board must be approved by the Supervisory Board pursuant to Article 33.1.11;
- 6) contracting and granting loans and contracting credit facilities, subject to Article 33.2.3 and 33.3.16;
- 7) adoption of annual business plans, including investment plans, subject to Article 33.1.6; approval of the strategy for the Company and the PGNiG Group and long-term strategic plans, subject to Article 33.1.6a;
- 8) assumption of contingent liabilities, including issuance by the Company of guarantees and sureties, as well as issuance of promissory notes, subject to Article 33.2.3 and 33.3.16;
- 9) acquisition or disposal of non-current assets, including real property, perpetual usufruct right to real property or interest in real property, with a value equal to or higher than the zloty equivalent of EUR 50,000, subject to Article 33.2.1, 33.2.2, and Article 56.3.2 and 56.3.3;
- 10) issues to be considered by the Supervisory Board or the General Meeting upon the Management Board's request;
- 11) adoption of the reports referred to in Article 23.2;
- 12) establishment of another company, subscription for, acquisition or disposal of shares in another company, including definition of the terms and procedure for such disposal, subject to Article 33.3.8 and Article 56.6;

Article 23

1. The Management Board shall prepare the plans referred to in Article 22.2.7 and submit them for approval by the Supervisory Board.
2. The Management Board shall submit, upon each request, to the minister competent for matters pertaining to the State Treasury and the minister competent for the economy, detailed reports on the performance of the activities undertaken with a view to ensuring the energy security of Poland;
3. The Management Board shall prepare quarterly economic and financial reviews of the Company and the distribution system operators, in the form defined by the minister competent for matters pertaining to the State Treasury, and shall submit them to the minister competent for matters pertaining to the State Treasury and the minister competent for the economy by the end of the first month following the end of each quarter

Article 24

1. The Management Board shall have from two to seven members. The number of Management Board members shall be determined by the body appointing the Management Board.
2. Management Board members shall be appointed for a joint term of three years.
3. A Management Board member should have a university-level education and at least five years' occupational experience, subject to the requirements prescribed by mandatory provisions of law.

Article 25

1. Individual members of the Management Board or the Management Board as a whole shall be appointed and removed by the Supervisory Board.
2. A member of the Management Board shall be appointed following a qualification procedure carried out pursuant to the Regulation of the Polish Council of Ministers concerning qualification procedures for members of management boards of certain commercial-law companies of March 18th 2003 (Dz. U. No. 55, item 476, as amended). The Regulation shall not apply to Management Board members elected by employees.
3. A member of the Management Board may resign from his/her position by delivering a representation to that effect to the Supervisory Board, with a copy to the State Treasury as the Company shareholder, represented by the minister competent for matters pertaining to the State Treasury. To be valid, the resignation shall be submitted in a written form, or otherwise shall be ineffective towards the Company. The provisions of the Civil Code governing termination of a mandate by the party accepting the mandate shall apply accordingly to the resignation.

Article 26

1. As long as the State Treasury remains a shareholder of the Company and the Company's average annualised headcount exceeds 500, the Supervisory Board shall appoint one person elected by the Company's employees to serve on the Management Board during its term.
2. The candidate for the position of the Management Board member elected by the Company's employees shall be a person who has received no less than 50% plus 1 of votes validly cast in the election. The result of the voting shall be binding on the Supervisory Board, provided that at least 50% of all employees take part in the voting.
3. Candidates for the position of the Management Board member elected by the Company's employees shall not be required to meet the qualification criteria defined in Article 24.3.
4. The voting shall be held by secret ballot and shall have the form of a general and direct election; the election shall be administered by Election Committees appointed by the Supervisory Board from among the Company's employees. A candidate for the election may not be a member of an Election Committee.
5. The employees' failure to elect a Management Board member shall not preclude adoption of valid resolutions by the Management Board.
6. The Management Board shall provide the necessary assistance to hold the election.
7. The Supervisory Board shall adopt detailed rules governing election and removal of the Management Board member elected by the Company's employees, and the rules of by-elections, in accordance with the above provisions.
8. Election of the candidate for the position of the Management Board member elected by the Company's employees shall be ordered by the Supervisory Board, subject to the provisions of Article 27.
9. The election and removal of the Management Board member elected by the Company's employees and by-elections shall be governed by the following rules and procedure:
 - 1) The election shall be organised and administered by the Election Committee. If the Company has a multi-plant structure, the election shall be organised and administered by the Central Election Committee, supported by Divisional Election Committees.
 - 2) The Election Committees shall be responsible for efficient administration of the election in accordance with applicable laws, these Articles of Association and the rules of procedure for the Election Committees.
 - 3) The Central Election Committee's responsibilities shall include, without limitation:
 - a) preparing and announcing the rules of procedure for the Election Committees;
 - b) compiling the list of election divisions and drafting the election schedule;

- c) checking and registering lists of voters and determining the number of employees holding the right to vote as at the voting date;
 - d) ongoing monitoring of the course of the election, in particular election divisions and of the activities of the Divisional Election Committees; considering complaints concerning administration of the election;
 - e) registering the candidates and announcing the list of the candidates;
 - f) preparing ballot papers and ballot-boxes;
 - g) overseeing the course of the voting, counting the votes, drafting the final report, and determining and announcing the election results;
 - h) supervising strict adherence to the provisions of these Articles of Association applicable to the election as well as their interpretation in the event of disputes;
 - i) establishing the official design of the special election seal;
- 4) The Divisional Election Committees' responsibilities shall include, without limitation:
 - a) checking the lists of voters in a given election division and determining the number of employees holding the right to vote in the division as at the voting date;
 - b) administering the voting and delivering the ballot-boxes containing ballot papers to the Central Election Committee;
 - c) cooperating with the Central Election Committee, in particular in counting the votes cast.
 - 5) The right to stand for election shall accrue to the person nominated in accordance with Article 26.9.6 and 26.9.7.
 - 6) Each trade union active at the Company and each group of at least 50 employees shall have the right to nominate a candidate for the election. An employee may endorse only one candidate.
 - 7) Nominations shall be submitted in writing to the Central Election Committee no later than 14 days prior to the scheduled voting date.
 - 8) If no candidate is elected in accordance with Article 26.2, the second round of the election shall be held to vote on the two candidates who have received the largest number of votes during the first round.
 - 9) The second round of the election shall be administered in accordance with the procedure prescribed for the first round, subject to modifications resulting from Article 27.9.8.
 - 10) After the final results of the election are determined, the Central Election Committee shall declare the election to have been validly held, and then shall make the relevant announcement and provide the election documentation to the Supervisory Board.
 - 11) A request to remove the Management Board member elected by the Company's employees shall be submitted to the Management Board, which shall forward it promptly to the Supervisory Board.
 - 12) Voting on removal of the Management Board member elected by the Company's employees shall be held in accordance with the procedure prescribed for appointing such members, subject to Article 28.

Article 27

1. The Supervisory Board shall order the election of a candidate for the position of the Management Board member elected by the Company's employees for the next term of office within two months from the end of the last full financial year during such member's mandate. Such election should be held within two months from the date on which it is ordered by the Supervisory Board.
2. A by-election shall be held in the event of removal, resignation or death of the Management Board member elected by the Company's employees.
3. By-elections and voting on the removal of the Management Board member elected by the Company's employees shall be ordered by the Supervisory Board within one month from the date on which the Supervisory Board becomes aware of an event necessitating the by-election or voting. Such by-election or voting should be held within two months from the date on which it is ordered by the Supervisory Board.

4. By-elections shall be governed by the provisions of Article 26.

Article 28

Upon written request by at least 15% of the total number of the Company's employees, the Supervisory Board shall order voting on the removal of the Management Board member elected by the Company's employees. The result of the voting shall be binding on the Supervisory Board, provided that at least 50% of all employees take part in the voting and the same majority of votes is obtained as is required when voting on the election of the Management Board member elected by the Company's employees.

Article 29

1. Following appointment to the Management Board, the Management Board member elected by the Company's employees who is employed by the Company under an employment contract shall:
 - 1) enter into an additional agreement on services of a Management Board member with the Company, and his or her employment contract shall continue in force;
 - 2) retain any employee rights acquired by that date;
 - 3) participate in the activities of the Management Board in accordance with the applicable provisions of the Commercial Companies Code, these Articles of Association and the agreement referred to in Article 29.1.1.
2. The total remuneration of the Management Board member elected by the Company's employees under his or her employment contract and the agreement on services of a Management Board member shall not exceed the amount defined by the body competent to determine the remuneration of Management Board members until the Act on Remuneration of Persons Managing Certain Legal Entities of March 3rd 2000 (Dz. U. No. 26, item 306, as amended) continues in force.

Article 30

The Supervisory Board shall define the rules and amounts of remuneration for Management Board members, unless applicable mandatory provisions of law state otherwise.

Article 31

1. The Company shall be the employer as defined by Labour Law.
2. Any acts falling within the scope of labour law shall be performed by the Management Board member specified in the resolution referred to in Article 22.2.5, subject to Article 45.

B. SUPERVISORY BOARD

Article 32

The Supervisory Board shall exercise ongoing supervision over all areas of the Company's operations.

Article 33

1. The powers and responsibilities of the Supervisory Board shall include:

- 1) assessment of the Directors' Report on the Company's operations and of the financial statements for the previous financial year in terms of their consistency with the accounting books, documents, and the actual state of affairs;
 - 2) assessment of the Management Board's recommendations on distribution of profit or coverage of loss;
 - 3) submission of written reports on the results of the activities referred to in Article 33.1.1 and 33.1.2 above to the General Meeting;
 - 4) assessment of the consolidated financial statements, both in terms of their consistency with the accounting books and documents, and with the actual state of affairs; assessment of the Directors' Report on the operations of the Group, and reporting on the results of those activities to the General Meeting;
 - 5) selection of an auditor to audit the financial statements;
 - 6) approval of annual business plans, including investment plans;
 - 6a) approval of the strategy for the Company and the PGNiG Group and long-term strategic plans;
 - 7) adoption of the rules of procedure governing the Supervisory Board's operations;
 - 8) adoption of a consolidated text of the Company's Articles of Association as prepared by the Company's Management Board;
 - 9) approval of the rules of procedure for the Company's Management Board;
 - 10) approval of the Company's organisational rules;
 - 11) approval of the Management Board's resolution on the division of authority between the Management Board members;
 - 12) issuance of opinions on any issues submitted by the Management Board for consideration to the General Meeting;
 - 13) issuance of opinions on the reports referred to in Article 23.2;
 - 14) issuance of opinions on the proposals referred to in Article 17.3.
2. The powers and responsibilities of the Supervisory Board shall include granting approval for the Management Board to:
- 1) acquire non-current assets, including real property, perpetual usufruct right to real property or interest in real property, with a value equal to the złoty equivalent of EUR 500,000 to EUR 2,000,000, unless the transaction is provided for in the plans referred to in Article 33.1.6, approved by the Supervisory Board;
 - 2) dispose of non-current assets, including real property, perpetual usufruct right to real property or interest in real property, with a value equal to the złoty equivalent of EUR 500,000 to EUR 1,000,000, unless the transaction is provided for in the plans referred to in Article 33.1.6, approved by the Supervisory Board;
 - 3) assume other liabilities whose value exceeds 20% of the Company's share capital, except where the liability has been provided for in the plans referred to in Article 33.1.6, approved by the Supervisory Board, or it arises from execution or amendment of an agreement for the provision of gas fuel transmission or distribution services to the Company;
 - 4) *[deleted]*
 - 5) execute an agreement referred to in Article 19b of the Act on Commercialisation and Privatisation (Dz. U. of 2002, No. 171, item 1397, as amended).
3. The powers and responsibilities of the Supervisory Board shall further include, without limitation:
- 1) appointment and removal of Management Board members;
 - 2) definition of rules and amounts of remuneration for Management Board members, unless applicable mandatory provisions of law state otherwise;
 - 3) suspension of Management Board members from their duties for a good reason, by an absolute majority of votes;
 - 4) delegation of Supervisory Board members to temporarily alternate for Management Board members who are unable to perform their duties;

- 5) administration of the qualification procedure referred to in Article 25.2 of these Articles of Association and Article 19a of the Act on Commercialisation and Privatisation (Dz. U. of 2002, No. 171, item 1397, consolidated text, as amended);
- 6) grant of approval for forming or liquidating foreign branches of the Company;
- 7) grant of approval for Management Board members to accept positions on the governing bodies of other companies, where such approval is required by law;
- 8) grant of approval for the Company to form another company with a share capital exceeding the złoty equivalent of EUR 2,000,000, or to subscribe for, acquire or dispose of shares in another company with a value exceeding the złoty equivalent of EUR 2,000,000, including definition of the terms and procedure for such disposal; if a transaction requires approval by the General Meeting under Article 56.6, the Supervisory Board shall only issue an opinion concerning the proposal in accordance with Article 33.1.12;
- 9) monitoring of the Company's debt level;
- 10) issuance of opinions on the Management Board's recommendations concerning nomination or removal of PGNiG S.A.'s representatives in the Management and Supervisory Boards of System Gazociągów Tranzytowych EuRoPol GAZ S.A. and submission of such recommendations for acceptance to the State Treasury as the Company shareholder, represented by the minister competent for matters pertaining to the State Treasury;
- 11) issuance of opinions on how the PGNiG S.A. representative should vote at the General Meeting of System Gazociągów Tranzytowych EuRoPol GAZ S.A.;
- 12) approval of how the PGNiG S.A. representative should vote at the General Meetings of the distribution system operators with respect to approval of the operators' annual budgets;
- 13) approval of how the PGNiG S.A. representative should vote at the General Meetings of the distribution system operators with respect to approval of the operators' long-term strategic plans;
- 14) approval of how the PGNiG S.A. representative should vote at the General Meetings of the distribution system operators with respect to:
 - a) amendments to their articles of association;
 - b) increase or reduction in their share capital;
 - c) their merger, transformation or demerger;
 - d) sale of their shares;
 - e) disposal or lease of, or creation of limited property rights in their business or its organised part;
 - f) their dissolution and liquidation;
- 15) approval of how the PGNiG S.A. representative should vote at the General Meetings of companies in which the Company holds 50% or more of the shares, subject to Article 33.3.14 above, with respect to:
 - a) amendments to their articles of association;
 - b) increase or reduction in their share capital;
 - c) their merger, transformation or demerger;
 - d) sale of their shares;
 - e) disposal or lease of, or creation of limited property rights in their business or its organised part;
 - f) their dissolution and liquidation;
 - g) creation of a pledge or other forms of encumbrance over their shares;
 - h) placement of shareholders under an obligation to make additional contributions to equity;
 - i) issue of bonds/notes;

- 16) issuance of opinions on the Management Board's proposals concerning assumption of liabilities with a value exceeding the zloty equivalent of EUR 100,000,000, subject to Article 33.2.
4. A refusal by the Supervisory Board to grant approval in the case of issues referred to in Article 33.2 and 33.3 shall require a statement of reasons in writing.
 5. In order to be valid, resolutions on issues referred to in Article 33.1.5 shall require a vote in favour by the Supervisory Board member appointed in accordance with Article 36.1.
 6. The Management Board shall submit to the Supervisory Board copies of notifications provided to the Minister of Finance concerning sureties and guarantees issued, in accordance with Article 34 of the Act on Sureties and Guarantees Issued by the State Treasury and Certain Legal Persons of May 8th 1997 (Dz. U. of 2003, No. 174, item 1689, as amended).

Article 34

1. For a good reason, the Supervisory Board may delegate its member to individually perform certain supervisory activities for a specified term.
2. The Supervisory Board member so delegated must report to the Supervisory Board in writing on his or her activities.

Article 35

1. The Supervisory Board shall have from five to nine members, appointed by the General Meeting, subject to Article 36.1 below. Notwithstanding the foregoing, as long as the State Treasury remains a shareholder of the Company, the State Treasury, represented by the minister competent for matters pertaining to the State Treasury shall have the right to appoint and remove one member of the Supervisory Board.
2. Supervisory Board members shall be appointed for a joint term of three years.
3. A Supervisory Board member may be removed by the General Meeting at any time.
4. Members of the Supervisory Board other than members appointed pursuant to Article 36.1 should meet the requirements set forth in the Regulation of the Polish Council of Ministers on training and examinations for candidates to the supervisory boards of companies wholly-owned by the State Treasury of September 7th 2004. (Dz. U. No. 198, item 2038, as amended).
5. A member of the Supervisory Board may resign from his/her position by delivering a representation to that effect to the Management Board, with a copy to the State Treasury as the Company shareholder, represented by the minister competent for matters pertaining to the State Treasury. To be valid, the resignation shall be submitted in a written form, or otherwise shall be ineffective towards the Company. The provisions of the Civil Code governing termination of a mandate by the party accepting the mandate shall apply accordingly to the resignation.

Article 36

1. One member of the Supervisory Board appointed by the General Meeting should satisfy the independence criteria (independent member of the Supervisory Board). The term 'independent member of the supervisory board' shall mean an independent member as defined by the Commission Recommendation of February 15th 2005 on the role of non-executive or supervisory directors of listed companies and the committees of the (supervisory) board (2005/162/EC), with due regard to the provisions of the Code of Best Practices for WSE-Listed Companies;
2. *[deleted]*

3. The Supervisory Board member satisfying the criteria set forth in Article 36.1 above shall be elected in a separate voting. Candidates for the position of the Supervisory Board member satisfying the criteria specified in Article 36.1 above may be nominated by shareholders present at the General Meeting whose agenda includes election of the Supervisory Board member referred to in Article 36.1 above. Nominations shall be submitted in writing to the Chairperson of the General Meeting along with a written representation by a given candidate to the effect that the candidate agrees to stand for the election and satisfies the criteria set forth in Article 36.1. If no candidates are nominated by the shareholders as provided for in the previous sentence, candidates to the Supervisory Board satisfying the criteria set forth in Article 36.1 shall be nominated by the Supervisory Board.

Article 37

1. If the Supervisory Board consists of up to six members, two members shall be appointed from among persons elected by the Company's employees. If the Supervisory Board consists of seven to nine members, three members shall be appointed from among persons elected by the Company's employees.
2. The candidates for the position of the Supervisory Board members elected by the Company's employees shall be persons who have received no less than 50% plus 1 of votes validly cast in the election. The result of the voting shall be binding on the General Meeting, provided that at least 50% of all employees take part in the voting.
3. The provisions of Article 26.4 shall apply accordingly to the election of candidates to the Supervisory Board.
4. Election of candidates to the Supervisory Board shall be ordered by the Supervisory Board. The provisions of Article 26 and Article 27 shall apply accordingly in this respect.
5. The Supervisory Board shall adopt the Election Rules, setting forth the detailed procedure for the election and removal of the Supervisory Board members appointed from among persons elected by the Company's employees.

Article 38

Upon written request by at least 15% of the employees, the Supervisory Board shall order voting on the removal of the employees' representative from the Supervisory Board. The result of the voting shall be binding on the General Meeting, provided that at least 50% of all employees take part in the voting and the same majority of votes is obtained as is required when voting on the election of the Supervisory Board member elected by the Company's employees.

Article 39

In the event of removal, resignation or death of a Supervisory Board member appointed from among the persons elected by the Company's employees, the person who has obtained the next largest number of votes in the most recent election shall be appointed to the Supervisory Board. If this is impracticable, a by-election shall be held, in which case the provisions of Article 27.3 and 27.4 and Article 37.4 shall apply accordingly.

Article 40

[deleted]

Article 41

1. At its first meeting, the Supervisory Board shall elect the Chairperson, Deputy Chairperson and Secretary of the Supervisory Board from among its members.
2. Meetings of the Supervisory Board shall be chaired by the Chairperson or, failing him or her, the Deputy Chairperson.
3. Any statements or notices addressed to the Supervisory Board between its meetings shall be made or given to the Chairperson or, where impracticable, to the Deputy Chairperson or the Secretary of the Supervisory Board.

Article 42

1. The Supervisory Board meetings shall be held at least once every two months.
2. The first meeting of the Supervisory Board upon commencement of a new term of office shall be convened by the Chairperson of the Supervisory Board of the previous term of office, within one month from the Annual General Meeting, unless a resolution of the General Meeting states otherwise. If the first meeting is not convened as provided for above, it shall be convened by the Management Board.
3. The Chairperson or the Deputy Chairperson of the Supervisory Board shall convene the Supervisory Board meetings and shall present a proposed detailed meeting agenda.
4. A meeting of the Supervisory Board should be convened upon request of any Supervisory Board member or upon request of the Management Board.
5. In the event of death, removal or resignation of the Chairperson and the Deputy Chairperson of the Supervisory Board during a term of office, a meeting of the Supervisory Board may be convened by any of the Supervisory Board members then in office. The provisions of Article 43 below shall apply accordingly. If a meeting is not convened as provided for above within one month from the date of death, removal or resignation of the Chairperson and Deputy Chairperson of the Supervisory Board, it shall be convened by the Management Board.
6. Meetings of the Supervisory Board shall be recorded with minutes, in accordance with Article 391.2 of the Commercial Companies Code.

Article 43

1. Convening of a Supervisory Board meeting shall require that all members of the Supervisory Board are notified of the meeting in writing at least seven days in advance. For a good reason the Chairperson of the Supervisory Board may shorten this period to two days, in which case he or she shall specify how the notice of the meeting will be delivered.
2. In the notice the Chairperson shall define the date and venue of the meeting as well as its proposed detailed agenda.
3. The proposed agenda of a meeting may be amended if all members of the Supervisory Board are present at the meeting and none of them objects to the amendment.

Article 44

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 an open ballot.
3. Voting by secret ballot shall be ordered at the request of a Supervisory Board member or when the issue put to a vote concerns personnel matters. In the event of voting by secret ballot, the provisions of Article 44.4 and 44.6 shall not apply.
4. The Supervisory Board may adopt resolutions by written ballot or with the use of means of remote communication, subject to Article 388.4 of the Commercial Companies Code. Adoption of a resolution using any of those methods shall require a statement of reasons

and prior notification of all Supervisory Board members of the contents of the draft resolution.

5. Any resolutions adopted pursuant to Article 44.4 above shall be presented at the next meeting of the Supervisory Board, along with the voting results.
6. Members of the Supervisory Board may participate in the adoption of Supervisory Board resolutions by casting their votes in writing, "for" or "against" a resolution through the intermediation of another member of the Supervisory Board, provided that they received a draft of the resolution together with the meeting agenda. Resolutions concerning matters referred to in Article 388.4 of the Commercial Companies Code may not be adopted in this manner.

Article 45

1. In any agreements and disputes between the Company and a Management Board member the Company shall be represented by the Supervisory Board or a proxy appointed by virtue of a resolution of the General Meeting.
2. Any acts between the Company and a Management Board member other than referred to in Article 45.1 above shall be performed in the same manner.

Article 46

1. The Supervisory Board members shall exercise their rights and perform their duties in person.
2. A Supervisory Board member shall be obliged to participate in meetings of the Supervisory Board. Any absence of a Supervisory Board member from a meeting shall be explained by such member writing. Declaring an absence of a Supervisory Board member as justified shall require a resolution of the Supervisory Board.
3. Until the Act on Remuneration of Persons Managing Certain Legal Entities of March 3rd 2000 (Dz. U. of 2000, No. 26, item 306, as amended) continues in force, members of the Supervisory Board shall be entitled to monthly remuneration in the amount defined by the General Meeting, subject to the provisions of the said Act.
4. The Company shall reimburse any expenses incurred by Supervisory Board members in connection with the performance of their duties, including in particular the cost of travel to the Supervisory Board meetings, cost of performing supervision activities individually, cost of accommodation and meals.

C. GENERAL MEETING

Article 47

1. The General Meeting shall be convened by the Management Board acting:
 - 1) on its own initiative;
 - 2) at the request of a shareholder or shareholders representing at least one-twentieth of the share capital, made in writing or in electronic form;
 - 3) at the request of the State Treasury as the Company shareholder, irrespective of its interest in the Company's share capital, made in writing or in electronic form;
 - 4) at the request of the Supervisory Board member appointed pursuant to Article 36.1 above, made in writing or in electronic form;
 - 5) at the written request of the Supervisory Board.
2. The General Meeting shall be convened within two weeks from the date of the request referred to in Article 47.1.2 to 47.1.4 above.

3. If the General Meeting is not convened within the time frame specified in Article 47.2 above, the registry court may authorise a shareholder or shareholders referred to in Article 47.1.2 and 47.1.3 to convene an Extraordinary General Meeting.
4. Shareholders representing at least half of the share capital or at least half of the total vote may convene an Extraordinary General Meeting.
5. The Supervisory Board may convene an Annual General Meeting if the Management Board fails to do so within the time frame specified in the Commercial Companies Code or these Articles of Association, or an Extraordinary General Meeting if the Supervisory Board deems it advisable, irrespective of the procedure prescribed in Article 47.1.5.
6. The General Meeting shall be convened by publishing a relevant notice on the Company's website and in the form prescribed for the purposes of current disclosures under the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.
7. The notice shall be published at least twenty-six days before the date of the General Meeting.

Article 48

General Meetings shall be held at the Company's registered offices.

Article 49

1. The General Meeting may adopt resolutions only on issues included in its agenda, subject to Article 404 of the Commercial Companies Code.
2. The agenda shall be proposed by the Management Board or by the party convening the General Meeting.
3. A shareholder or shareholders representing at least one-twentieth of the share capital may request that certain issues be placed on the agenda of the next General Meeting. The same right is held by the State Treasury as the Company shareholder, irrespective of its interest in the share capital.
4. The request referred to in Article 49.3 should be submitted to the Management Board not later than 21 days before the scheduled date of the General Meeting. The request should contain a statement of reasons or a draft resolution concerning the proposed item of the agenda. The request may be submitted in electronic form. The Management Board shall be obliged to announce changes to the agenda made at the request of shareholders promptly but in no event later than 18 days before the scheduled date of the General Meeting. The announcement shall be published in the manner prescribed for notices convening the General Meeting.
5. A decision to remove or not to consider an item included in the agenda of the General Meeting shall require a resolution of the General Meeting adopted with the majority of three quarters of the votes. A decision to remove or not to consider an item included in the agenda of the General Meeting at the request of a shareholder or shareholders shall additionally require approval by all the shareholders that made the request and are present at the meeting. A proposal to remove or not to consider an item included in the agenda of the General Meeting should be accompanied by a detailed statement of reasons.

Article 50

The General Meeting shall be opened by the Chairperson or the Deputy Chairperson of the Supervisory Board or, failing him or her, by the President of the Management Board or a person

designated by the Management Board. Then, subject to Article 399.3 and Article 400.3 of the Commercial Companies Code, the Chairperson of the General Meeting shall be elected from among persons entitled to participate in the General Meeting.

Article 51

The General Meeting shall adopt resolutions regardless of the number of shares represented at the General Meeting, unless the provisions of the Commercial Companies Code or these Articles of Association state otherwise.

Article 52

One share shall confer the right to one vote at the General Meeting.

Article 53

1. The General Meeting may be adjourned by virtue of its resolution adopted with the majority of two-thirds of the votes. The total length of periods of adjournment shall not exceed 30 days.
2. *[deleted]*

Article 54

Voting at the General Meeting shall be held in the form of an open ballot. A secret ballot shall be ordered in the case of voting on election or removal of members of the Company's governing bodies or its liquidator, on bringing them to account and on personnel matters. Furthermore, a secret ballot shall be ordered if at least one shareholder present or represented at the General Meeting so requests.

Article 55

The Annual General Meeting shall be convened each year by the Management Board, subject to Article 47.5. It should be held within six months from the end of each financial year.

Article 56

1. The business transacted at the General Meeting shall include, without limitation:
 - 1) review and approval of the financial statements for the previous financial year and the Directors' Report on the Company's operations;
 - 2) grant of discharge to the members of the Company's governing bodies in respect of their duties;
 - 3) distribution of profit or coverage of loss;
 - 4) determination of the dividend record date or decision on payment of dividend in instalments.
2. The following issues shall require a resolution of the General Meeting:
 - 1) appointment and removal of the Supervisory Board members;
 - 2) review and approval of the consolidated financial statements of the Group and the Directors' Report on the Group's operations for the previous financial year;
 - 3) suspension of members of the Management Board from duties or their removal.
 - 4) *[deleted]*

3. The following matters related to the Company's assets shall require a resolution of the General Meeting:
 - 1) disposal or lease of, or creation of limited property rights in the Company's business or its organised part;
 - 2) acquisition of non-current assets, including real property, perpetual usufruct rights to real property or interest in real property, with a value exceeding the zloty equivalent of EUR 2,000,000;
 - 3) disposal of non-current assets, including real property, perpetual usufruct rights to real property or interest in real property, with a value exceeding the zloty equivalent of EUR 1,000,000;
 - 3 a) contribution to another company of non-current assets, including real property, perpetual usufruct rights to real property or interest in real property, with a value exceeding the zloty equivalent of EUR 1,000,000, irrespective of the provisions of Article 56.6;
 - 4) conclusion by the Company of a credit facility, loan, surety or other similar agreement with or for the benefit of a member of the Management or Supervisory Board, a commercial proxy or a liquidator;
 - 5) increase or reduction in the Company's share capital;
 - 6) issue of convertible bonds or bonds with pre-emptive rights and issue of subscription warrants referred to in Article 453.2 of the Commercial Companies Code;
 - 7) acquisition of the Company own shares in the situation specified in Article 362.1.2 of the Commercial Companies Code;
 - 8) squeeze-out carried out in compliance with Article 418 of the Commercial Companies Code;
 - 9) creation, use and liquidation of capital reserves;
 - 10) use of statutory reserve funds;
 - 11) decisions in relation to claims for redress of any damage occasioned at the Company's incorporation or in the exercise of management or supervisory duties.
 - 12) *[deleted]*
 - 13) *[deleted]*
4. In addition, the following issues shall require a resolution of the General Meeting:
 - 1) merger, transformation or demerger of the Company;
 - 2) relocation of the Company's registered office abroad;
 - 3) creation of preference rights attached to shares;
 - 4) formation of, transformation of the Company into, or joining a European company;
 - 5) *[deleted]*;
 - 6) amendments to these Articles of Association and change of the Company's business profile;
 - 7) dissolution and liquidation of the Company;
 - 8) definition of the rules of remuneration for the Supervisory Board members.
5. Unless the Commercial Companies Code provides otherwise and subject to the provisions below, resolutions of the General Meeting shall be adopted with an absolute majority of votes. Resolutions concerning the following issues may be adopted by a majority of at least four-fifths of the votes when the State Treasury's interest in the share capital is less than 51%, provided that at least half of the Company's share capital is represented at the General Meeting:
 - 1) dissolution of the Company;
 - 2) relocation of the Company's registered office abroad;
 - 3) change of the Company's business profile in a way that would limit its operations in the area of exploration for, production of, and trade in crude oil and natural gas;
 - 4) sale or lease of, or creation of limited property rights in the Company's business or its organised part whose activities include exploration for, production of, and trade in crude oil and natural gas;
 - 5) merger effected by way of transfer of all assets of the Company to another company;
 - 6) demerger of the Company;
 - 7) creation of preference rights attached to shares;

- 8) formation of, transformation of the Company into, or joining a European company;
 - 9) amendments to this paragraph of these Articles of Association.
 - 10) *[deleted]*
6. The General Meeting's approval shall be required for:
- 1) subscription, acquisition or disposal of shares in companies of the PGNiG Group, which, pursuant to generally applicable laws, act as the distribution system operator or storage system operator, including definition of the terms and procedure for the disposal;
 - 2) formation of a company, or acquisition of or subscription for shares in a company other than the company referred to in Article 56.6.1 above, except if:
 - a) made in exchange for the Company's claims as part of settlement or arrangement proceedings;
 - b) made with a view to implementing the strategy approved in accordance with Article 33.1.6a and related to a company whose business consists in:
 - production or generation of fuels or energy, or
 - trading in fuels or energy, or
 - transmission, distribution or transport of fuels or energy, or
 - construction of buildings and structures related to the production, generation, transmission, distribution, transport of fuels or energy, or
 - production or supply of steam, hot water or air for air-conditioning systems, or
 - c) related to a company in which the Company holds at least 50% of shares; or
 - d) related to acquisition of or subscription for shares in other companies which have not commenced operations; or
 - e) made with a view to implementing the strategy approved in accordance with Article 33.1.6a and related to the acquisition of or subscription for shares in a company that owns, as part of a holding company structure, shares in the companies referred to in Article 56.6.2.b; or
 - f) made in primary or secondary trading of securities on the public market;
 - 3) disposal of shares in a company other than the company referred to in Article 56.6.1 above, including definition of the terms and procedure for the disposal, except for:
 - a) disposal of shares traded on the public market;
 - b) disposal of shares held by the Company if the holding does not exceed 10% of the share capital of a given company; *[j.w.]*
 - c) disposal of shares acquired in exchange for the Company's claims as part of settlement or arrangement proceedings;
7. *[deleted]*
8. In the case of draft resolutions on amendments to these Articles of Association or a change to the Company's business profile, an opinion of the minister competent for the economy shall be sought. In order to obtain the opinion the Management Board shall submit the draft resolutions to the minister competent for the economy on the date of their disclosure to the public in a current report in accordance with the applicable regulations pertaining to the disclosure requirements of public companies. The opinion issued by the minister competent for the economy shall be provided to the General Meeting. If the minister competent for the economy issues no opinion or the opinion is negative, this shall not preclude putting the resolution to a vote at the General Meeting.

Article 57

1. Proposals submitted with respect to the matters referred to in Article 56 above should be accompanied by a statement of reasons by the Management Board and a written opinion of the Supervisory Board. The opinion of the Supervisory Board shall not be required in the case of proposals concerning members of the Supervisory Board, including, without limitation, with respect to the issues referred to in Article 56.1.2, 56.2.1 and 56.4.8. A statement of reasons by the Management Board shall not be required in the case of

proposals concerning members of the Management Board, including, without limitation, with respect to the issue referred to in Article 56.1.2.

2. No opinion on a proposal shall be required in the situation specified in Article 384.2 of the Commercial Companies Code.

Article 58

A change to the Company's business profile shall not require repurchase of shares in compliance with Article 417.4 of the Commercial Companies Code.

VI. MANAGEMENT OF THE COMPANY'S RESOURCES

Article 59

The financial year of the Company shall correspond to the calendar year.

Article 60

The Company's accounting records shall be kept in accordance with the applicable accounting regulations.

Article 61

1. The Company shall create the following capitals and funds:
 - 1) share capital,
 - 2) statutory reserve funds,
 - 3) revaluation capital reserve,
 - 4) other capital reserves,
 - 5) Company Social Benefits Fund.
2. The Company may create and release other capitals, funds and accounts by virtue of a resolution of the General Meeting to cover special losses or expenses, whether at the beginning or in the course of the financial year.

Article 62

The Company's Management Board shall:

- 1) prepare the financial statements and the Directors' Report on the Company's operations for the previous financial year within three months from the balance-sheet date;
- 2) have the financial statements audited;
- 3) submit the documents referred to in Article 62.1 above, along with the auditor's opinion and report, for assessment by the Supervisory Board;
- 4) submit the documents referred to in Article 62.1 above, the auditor's opinion and report, and the Supervisory Board's report referred to in Article 33.1.3 above to the Annual General Meeting;
- 5) prepare the consolidated financial statements of the Group and the Directors' Report on the Group's operations within two months from the date prescribed for the preparation of the Company's financial statements, if required under the Accountancy Act of September 29th 1994 (Dz. U. of 2002, No. 76, item 694, as amended);
- 6) have the consolidated financial statements audited;
- 7) submit the documents referred to in Article 62.5 above, along with the auditor's opinion and report, for assessment by the Supervisory Board;

- 8) submit the documents referred to in Article 62.5 above, the auditor's opinion and report, and the Supervisory Board's report referred to in Article 33.1.4 above to an Extraordinary General Meeting.

Article 63

1. Allocation of the Company's net profit shall be determined by way of a resolution of the General Meeting.
2. The General Meeting shall make contributions from profit to the statutory reserve funds, corresponding to at least 8% of the profit for the given financial year, until the statutory reserve funds amount to no less than one-third of the share capital.
3. The General Meeting may allocate a portion of profit for:
 - 1) dividend to the shareholders,
 - 2) other capitals and funds,
 - 3) other purposes.
4. The Annual General Meeting shall determine the dividend record date and the dividend payment date. The dividend record date may be set for the date of the relevant resolution or a day falling within three months from that date.
5. *[deleted]*
6. *[deleted]*
7. *[deleted]*
8. *[deleted]*

VII. PUBLICATION OF NOTICES AND ANNOUNCEMENTS

Article 64

1. The Company's notices and announcements shall be published in the official journal – *Monitor Sądowy i Gospodarczy* – and displayed at the Company's registered office in a place accessible to all the employees, except for notices convening the General Meeting, which shall be published in accordance with Article 47.6 above.
2. The Company's Management Board shall file the annual financial statements, the auditor's opinion, a copy of the General Meeting's resolution on approval of the financial statements and distribution of profit or coverage of loss, as well as the Directors' Report on the Company's operations, with the registry court having territorial jurisdiction over the Company's registered office, within 15 days from the date of approval of the Company's financial statements by the General Meeting. If the financial statements are not approved within six months from the balance-sheet date, they should be filed within 15 days from the end of such six-month period.
3. Within 15 days from the date of approval of the Company's financial statements by the General Meeting, the Company's Management Board shall submit documents referred to in Article 70 of the Accountancy Act of September 29th 1994 (Dz. U. of 2009, No. 152, item 1223, as amended) for publication in *Monitor Polski B*.
4. The Company's Management Board shall publish information within the scope and within the time frames provided for in the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, of July 29th 2005 (Dz. U. of 2009, No. 185, item 1439), and in the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under

the laws of a non-member state of February 19th 2009 (Dz. U. No. 33, item 259, as amended), or any other legislation which may replace the said Act or Regulation.

VIII. FINAL PROVISIONS

Article 65

1. The Company shall be dissolved for reasons provided for in applicable laws.
2. The Company liquidators shall be members of the Company's Management Board, unless a resolution of the General Meeting states otherwise.
3. Any assets remaining after satisfying or securing creditors' claims shall be distributed to the shareholders.
4. Unless the statute provides otherwise, whenever a reference is made in these Articles of Association to an amount expressed in euros, it shall be deemed a reference to the equivalent of that amount expressed in the Polish currency, calculated at the mid-rate of exchange of the Polish currency into the euro, as quoted by the National Bank of Poland on the day preceding the date of the relevant resolution by the Company's governing body competent to issue approval for the action in connection with which the equivalent is calculated.
5. Whenever a reference is made in these Articles of Association to the value of the subject matter of a particular action performed by the Company, such value shall be inclusive of value added tax and excise duty, if applicable to such action under other regulations.
6. Whenever a reference is made in these Articles of Association to the value of a non-current asset, including real property, perpetual usufruct rights to real property or interest in real property, such value shall be determined in accordance with the provisions of the Act on Commercialisation and Privatisation of August 30th 1996 (Dz. U. of 2002, No. 171, item 1397, as amended) and the secondary legislation thereto.

Article 66

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Article 67

Voting right restrictions referred to in Article 19.2 shall not apply to:

- 1) shareholders who as at the date of the General Meeting's resolution imposing the restriction on voting rights are holders of shares conferring more than 10% of the total vote at the Company;
- 2) shareholders acting together with shareholders referred to in Article 67.1 above under agreements concerning joint exercise of voting rights. In Article 66.3.4 the year, number and item in the relevant Dziennik Ustaw (Journal of Laws) shall read as follows: "(Dz. U. of 2009, No. 185, item 1439)".