

Appendix to Resolution No. ....  
of the Annual Shareholders' Meeting of  
CIECH Spółka Akcyjna  
of ..... June 2017

*“CIECH” Spółka Akcyjna [Joint-Stock Company]*  
*entered in the National Court Register, kept by the District Court for the Capital City of Warsaw,*  
*XIII Commercial Division of the National Court Register, entry number 0000011687*

**Memorandum of Association**  
**of “CIECH” Spółka Akcyjna [Joint-Stock Company]**

**Uniform text**

Taking into account the amendments to the uniform text of 14 January 1997 (Notarial Deed, Register A No. 290/97), adopted by means of minutes drawn-up in the form of Notarial Deeds of 2 June 1998 (Register A No. 9719/98), of 24 May 2000 (Register A No. 8777/2000), of 27 June 2001 (Register A No. 19647/2001), of 19 October 2001 (Register A No. 32749/2001), of 14 February 2001 (Register A No. 3510/2002), of 28 August 2003 (Register A No. 21080/2003), of 19 May 2004 (Register A No. 13729/2004), of 28 June 2004 (Register A No. 16888/2004), of 29 June 2005 (Register A No. 11155/2005), 21 June 2007 (Register A No. 10277/2007), of 26 June 2008 (Register A No. 11382/2008), of 14 September 2009 (Register A No. 7097/2009), of 28 October 2010 (Register A No. 12743/2010), of 30 June 2011 (Register A No. 11399/2011), of 29 August 2012 (Register A No. 5838/2012), of 27 November 2012 (Register A No. 9667/2012), of 22 May 2013 (Register A No. 3540/2013) and of 7 July 2014 (Register A No. 11371/2014), of 30 June 2015 (Register A No. 9202/2015), 16 June 2016 (Register A No. 8529/2016) and of ..... June 2017 (Register A No. ....../2017)

## ***I. General Provisions.***

### **§ 1**

1. The business name of the Company is: "CIECH Spółka Akcyjna".
2. The Company may use the following abbreviated name: "CIECH S.A."

### **§ 2**

The registered office of the Company shall be the Capital City of Warsaw.

### **§ 3**

The area of the Company's activity shall be the territory of the Republic of Poland and abroad.

### **§ 4**

The lifetime of the Company shall be unlimited.

### **§ 5**

The Company may form branches and other organizational units, as well as establish companies and join already-existing companies, and participate in any organizational-legal affiliations permitted by law.

## ***II. Business of the Company.***

### **§ 6**

1. The object of the Company's activity shall be:
  - 1) trade in electrical energy (PKD 35.14.Z)
  - 2) trade in gas fuel in a grid system (PKD 35.23.Z)
  - 3) production and supply of steam, hot water and air for air-conditioning systems (PKD 35.30.Z)
  - 4) activity of agents dealing with sale of fuel, ores, metals and industrial chemicals (PKD 46.12.Z)
  - 5) activity of agents specializing in sale of other, specified goods (PKD 46.18.Z)
  - 6) activity of agents dealing with sale of various types of goods (PKD 46.19.Z)
  - 7) wholesale of pharmaceuticals and medical products (PKD 46.46.Z)
  - 8) wholesale of fuel and derivative products (PKD 46.71.Z)
  - 9) wholesale of chemicals (PKD 46.75.Z)
  - 10) wholesale of other semi-finished products (PKD 46.76.Z)
  - 11) non-specialized wholesale (PKD 46.90.Z)
  - 12) storage and warehousing of other goods (PKD 52.10.B)
  - 13) trans-shipment of goods at sea ports (PKD 52.24.A)
  - 14) trans-shipment of goods at inland ports (PKD 52.24.B)
  - 15) trans-shipment of goods at other trans-shipment sites (PKD 52.24.C)
  - 16) activity in the field of cable telecommunications (PKD 61.10.Z)

- 17) activity in the field of wireless telecommunications, with the exception of satellite telecommunications (PKD 61.20.Z)
  - 18) activity in the field of satellite telecommunications (PKD 61.30.Z)
  - 19) activity in the field of other telecommunications (PKD 61.90.Z)
  - 20) activity connected with software (PKD 62.01.Z)
  - 21) activity connected with advisory services in the field of IT (PKD 62.02.Z)
  - 22) activity connected with management of IT devices (PKD 62.03.Z)
  - 23) other service activity in the field of IT and computer technologies (PKD 62.09.Z)
  - 24) data processing; website management (hosting) and other similar activity (PKD 63.11.Z)
  - 25) activity of Internet portals (PKD 63.12.Z)
  - 26) other forms of granting credits (PKD 64.92.Z)
  - 27) other financial service activity, not classified elsewhere, with the exception of insurance and pension funds (PKD 64.99.Z)
  - 28) purchase and sale of real estate on the entity's own account (PKD 68.10.Z)
  - 29) rental and management of real estate owned or leased by the entity (PKD 68.20.Z)
  - 30) intermediary services in trade in real estate (PKD 68.31.Z)
  - 31) management of real estate as a contractors (PKD 68.32.Z)
  - 32) legal activity (PKD 69.10.Z)
  - 33) accounting-bookkeeping activity; tax advisory services (PKD 69.20.Z)
  - 34) activity of head offices and holding companies, with the exception of financial holding companies (PKD 70.10.Z)
  - 35) human relations (public relations) and communication (PKD 70.21.Z)
  - 36) other advisory services in the field of conduct of business activity and management (PKD 70.22.Z)
  - 37) other technical research and analyses (PKD 71.20.B)
  - 38) scientific research and developmental work in the area of other natural and technical sciences (PKD 72.19.Z)
  - 39) market and public opinion research (PKD 73.20.Z)
  - 40) other professional, scientific and technical activity, not classified elsewhere (PKD 74.90.Z)
  - 41) activity connected with looking for jobs and obtainment of lawyers (PKD 78.10.Z)
  - 42) other activity connected with providing employees (PKD 78.30.Z)
  - 43) repair and maintenance of computers and peripheral devices (PKD 95.11.Z)
  - 44) repair and maintenance of (tele)communications devices (PKD 95.12.Z)
  - 45) other service activity, not classified elsewhere (PKD 96.09.Z)
  - 46) service activity supporting road transport (PKD 52.21.Z)
  - 47) service activity supporting sea transport (PKD 52.22.A)
2. In the event that the performance of any of the types of activity of the Company requires a permit or a concession, the Company shall undertake such activity only upon a prior obtainment of such permit or concession.

### ***III. The share capital and shares***

#### **§ 7**

1. The share capital of the Company shall amount to PLN 263,500,965.00 (say: two hundred and sixty-three million five hundred thousand nine hundred and sixty-five) and shall be divided into 52,699,909 (say: fifty-two million six hundred ninety-nine thousand nine hundred and nine) shares with a face value of PLN 5 (five) each, including: -
  - 20,816 (say: twenty thousand eight hundred and sixteen) ordinary bearer's shares of series A
  - 19,775,200 (say: nineteen million seven hundred seventy-five thousand two hundred) ordinary bearer's shares of series B

- 8,203,984 (say: eight million two hundred and three thousand nine hundred and eighty-four) ordinary bearer's shares of series C
  - 23,000,000 (say: twenty-three million) ordinary bearer's shares of series D
  - 1,699,909 (say: one million six hundred ninety-nine thousand nine hundred and nine) ordinary bearer's shares of series E
2. A relevant change in the business of the Company shall not require the buyout of shares, provided that the requirements of the binding provisions of law are observed.

## **§ 8**

1. The shares may be redeemed at a consent of the shareholder whose share is to be redeemed, by means of acquisition thereof by the Company (voluntary redemption).
2. The acquisition by the Company of its equity shares for the purpose of redemption shall require the consent of the Shareholders' Meeting, expressed by way of a resolution.
3. Redemption of shares of the Company shall require a resolution of the Shareholders' Meeting which should specify, in particular, the legal basis for redemption, the value of remuneration due to the shareholder of the redeemed shares or a justification of redemption of shares without remuneration, as well as a manner of reduction of the share capital of the Company.
4. In exchange for the redeemed shares the Company may issue utility certificates.

## **§ 9**

The Company shall form:

- the supplementary capital;
- the reserve capital;
- special-purpose funds;
- other funds provided for by the provisions of law.

## **§ 10**

The supplementary capital shall be formed, with an allocation for the coverage of losses, with write-offs constituting at least 8% of net profit for a given financial year, for as long as the said capital reaches at least one-third of the share capital. The value of write-offs shall be determined by the Shareholders' Meeting.

## **§ 11**

The reserve capital shall be formed from write-offs from the net profit for a given financial year, irrespective of the supplementary capital, with the allocation for the coverage of special losses or expenses of the Company. A decision on establishment of reserve capital and the value of write-offs for such capital shall be taken by the Shareholders' Meeting.

## **§ 12**

The use of the supplementary capital and the reserve capital shall be determined by the Shareholders' Meeting, provided that a part of the supplementary capital, up to the value of one-third of the share capital may be used only to cover the loss demonstrated in the financial statement.

### § 13

1. Special-purpose funds shall be formed and dissolved by means of a resolution of the Shareholders' Meeting.
2. Special-purpose funds may be formed from write-offs from profits allocated for distribution and may be allocated for developmental purposes of the Company, social needs of its employees, remuneration of the Management Board and of employees of the Company annually for their performance at work, as well as for other purposes connected with the needs of the Company.
3. The special-purpose funds are at the disposal of the Management Board of the Company according to their purpose specified in a resolution of the Shareholders' Meeting.

### § 14

1. The shareholders shall have a right to participate in the net profit shown in the financial statement for the last financial year audited by a chartered accountant, to the extent it is allocated by the Shareholders' Meeting for distribution among the shareholders.
2. A net profit for a given financial year may be allocated in particular for:
  - the supplementary capital;
  - the reserve capital;
  - special-purpose funds;
  - payment of dividend to shareholders;
  - other purposes specified by means of a resolution of the Shareholders' Meeting.
3. The date of determination of the list of shareholders authorized to a dividend for a given financial year shall be specified by means of a resolution of the Shareholders' Meeting. The dividend shall be paid on the date specified in a resolution of the Shareholders' Meeting. If a resolution of the Shareholders' Meeting does not specify such a date, the dividend shall be paid on the date specified by the Supervisory Board.

### § 15

1. The financial year shall be equal to the calendar year.
2. The Management Board shall be obliged, within five months of the end of the financial year, to draw up and submit to the Supervisory Board, a financial statement for the previous year audited by a chartered accountant, as well as a report of the Management Board on the Company's activity, and a consolidated financial statement and a report on the activity of the capital group where the Company is a dominant entity, if the Company prepares the same.
3. The Management Board's report on the Company's activity, the financial statement for the previous financial year and the consolidated financial statement and the report on the activity of the capital group where the Company is a dominant entity, if the Company prepares the same, once they receive an opinion of the Supervisory Board, shall be subject to approval by the Shareholders' Meeting.

#### ***IV. Authorities of the Company***

### § 16

The authorities of the Company shall be:

- a) the Shareholders' Meeting;
- b) the Supervisory Board;
- c) the Management Board.

## **The Shareholders' Meeting**

### **§ 17**

1. The Shareholders' Meetings shall be held as ordinary or extraordinary.
2. Ordinary Shareholders' Meetings shall be convened by the Management Board of the Company. The Supervisory Board may convene an Ordinary Shareholders' Meeting, if the Management Board fails to convene the same within a prescribed period of time.
3. A right to convene an Extraordinary Shareholders' Meeting shall be vested in:
  - 1) the Management Board
  - 2) the Supervisory Board, if deemed necessary by it;
  - 3) to shareholders representing at least a half of the share capital or at least a half of all the votes in the Company.
4. A shareholder or shareholders representing at least 1/20 of the share capital may request the convening of the Extraordinary Shareholders' Meeting and placement of certain matters on the agenda of such Meeting. Such request should be submitted to the Management Board in writing or in an electronic form to the address of electronic mail indicated on the website of the Company, including a justification.
5. The agenda of the Shareholders' Meeting shall be established by the Management Board of the Company, and in the cases indicated in § 17 section 3 point 2) and point 3) shall be indicated by the person convening the Shareholders' Meeting.
6. A shareholder or shareholders representing at least 1/20 of the share capital may:
  - 1) request the placement of certain matters on the agenda of the next Shareholders' Meeting - such request should be submitted to the Management Board in writing or in an electronic form to the address of electronic mail indicated on the website of the Company not later than twenty-one days before the set date of the Meeting and should include a justification or a draft resolution concerning the proposed point of the agenda;
  - 2) before the date of the Shareholders' Meeting, notify the Company, in writing or with the use of electronic communication, at the address of electronic mail indicated on the website of the Company, draft resolutions concerning the matters covered by the agenda of the Shareholders' Meeting or matters which should be covered by the agenda.

### **§ 18**

The competence of the Shareholders' Meeting shall cover in particular:

- 1) consideration and approval of the Management Board's report on the activity of the Company, of the financial statement for the previous financial year, the consolidated financial statement and a report on the activity of the capital group, where the Company is a dominant entity, if the Company prepares the same, as well as an annual report of the Supervisory Board, and the granting to members of the Company's authorities the acknowledgement of the performance by them of their duties;
- 2) adoption of resolutions on distribution of profits or coverage of losses;
- 3) adoption of the rules and regulations of the Shareholders' Meeting;
- 4) amendment to the Company's By-Laws;
- 5) amendment to the scope of the Company's business;
- 6) sale and lease of the Company's enterprise or an organised part thereof, as well as establishment of a limited property right thereon;
- 7) appointment and dismissal of members of the Supervisory Board, as well as determination of remuneration for members of the Supervisory Board;
- 8) increase or decrease in the share capital;

- 9) adoption of resolutions regarding issue of debentures, including debentures convertible to shares;
- 10) merger of the Company with other companies, as well as transformation of the Company;
- 11) winding-up of the Company;
- 12) granting a consent for acquisition of shares by the Company for the purpose of their redemption and adoption of the terms and conditions of redemption of shares;
- 13) adoption of other resolutions stipulated by the provisions of law or these By-Laws.

## **§ 19**

Resolutions of the Shareholders' Meeting shall be adopted by an absolute majority of votes cast in the presence of shareholders representing as a minimum 40% of the Company's share capital, unless the provisions of the Commercial Companies Code or any other relevant laws, or the Articles of Association of the Company provide for other conditions for their adoption.

## **The Supervisory Board**

### **§ 20**

1. The Supervisory Board shall be formed of five to nine members appointed by the Shareholders' Meeting. The number of members of the Supervisory Board shall be determined by the Shareholders' Meeting by way of resolution.
2. Joint term of members of the Supervisory Board shall be three years.
3. Individual members of the Supervisory Board may be at any time dismissed by the Shareholders' Meeting
4. The Supervisory Board shall operate on the basis of the Rules and Regulations adopted by the Supervisory Board and approved by the Shareholders' Meeting, which shall detail the principles of its proceedings.
5. The Supervisory Board shall elect a Chairman from among its members and, if necessary, his deputy and a secretary.
6. The Supervisory Board may appoint committees (including the Audit Committee) from among its members.

### **§ 21**

1. The Supervisory Board exercises supervision over the activity of the Company.
2. The competence of the Supervisory Board shall include in particular:
  - 1) evaluation of the report of the Management Board on the activity of the Company, of the financial statement for the previous financial year, of the consolidated financial statement and the report on the activity of the capital group, where the Company is a dominant entity, if the Company prepares the same, in respect of their compliance with the books and documentation as well as with the actual state of affairs, and evaluation of motions of the Management Board regarding distribution of profits or coverage of losses, as well as the submission to the Shareholders' Meeting of an annual report on the results of such evaluation;
  - 2) granting an opinion regarding the Company's programmed developed by the Management Board;
  - 3) consideration and granting opinions regarding matters which form an object of resolutions of the Shareholders' Meeting;
  - 4) adoption of the rules and regulations of the Supervisory Board;
  - 5) approval of the rules and regulations of the Management Board;

- 6) appointment and dismissal of members of the Management Board, including the President of the Management Board;
- 7) determination of the rules of remuneration and value of remuneration of members of the Management Board, including the President of the Management Board;
- 8) election of the chartered accountant to conduct an audit of the financial statement of the Company and a consolidated audit of the financial statement of the Company's capital group;
- 9) granting a consent for acquisition and sale of real estate, perpetual usufruct or a share in real estate;
- 10) granting of consent to disposal of the right or incurring the liability to the amounts exceeding PLN 20,000,000 (say: twenty million), with the exception of:
  - a) purchase and sale of raw materials, semi-finished products and products connected with the object of activity of the Company;
  - b) the incurring of liabilities connected with the basic, on-going activity of the Company, to the amounts not exceeding 10% of the equity capital of the Company;
  - c) activities which require the consent of the Shareholders' Meeting.
- 11) granting opinions regarding candidates to members of supervisory boards of the companies where the Company is a partner or shareholder;
- 12) approval of draft annual business plans and budgets of the Company, the Capital Group of the Company and their amendments;
- 13) granting the consent to the encumbrance of the property assets of the Company to the amount (the sum of security) not exceeding PLN 10,000,000.00 (say: ten million), as part of one or a series of combined transactions;
- 14) granting consent for the Company's granting of sureties and guarantees to entities other than subsidiaries, as defined by the Commercial Companies Code;
- 15) granting consent to the payment of an advance payment towards the anticipated dividend;
- 16) granting consent to the exercise by the Company of ownership rights, vested in it as a shareholder or stockholder of a subsidiary, to the extent specified in point 10 above.

3. For the purpose of performance of its duties, the Supervisory Board may examine all the documents of the Company, demand reports and explanations from the Management Board and the employees of the Company, as well as review the property status of the Company.

4. Members of the Supervisory Board shall exercise their rights and perform their duties in person.

## § 22

1. The Supervisory Board shall adopt its resolutions by means of an absolute majority of votes with the quorum of at least half of members of the Supervisory Board, provided that in the event of an equal number of votes, the vote of the President of the Supervisory Board shall be decisive.

2. The Supervisory Board may adopt its resolutions without holding a meeting, in writing or by means of direct, remote communication devices, provided that, for the purpose of effective adoption of resolutions in this manner, all members of the Board must be notified of the wording of a draft resolution.

3. Members of the Supervisory Board may participate in the adoption of resolutions of the Board by casting their vote in writing through another member of the Supervisory Board. The casting of a vote in writing may not concern issues placed on the agenda during a meeting of the Supervisory Board.

4. Adoption of resolutions according to the procedure specified in sections 2 and 3 above shall not apply to the election of the Chairman, the Vice Chairman and the Secretary of the Supervisory Board, as well as the suspension of members of the Management Board, including the President of the Management Board, in the performance of their duties.



## **The Management Board**

### **§ 23**

1. The Management Board shall be composed of one or more members. The Supervisory Board shall appoint the President of the Management Board and the other members of the Management Board. The Supervisory Board shall determine the number of members of the Management Board.
2. The joint term of members of the Management Board shall be three years.
3. Contracts of employment with members of the Management Board or managerial agreements based on the principles determined by means of a resolution of the Supervisory Board shall be concluded, on behalf of the Company, by a representative of the Supervisory Board delegated from among its members. The same procedure shall apply to other legal actions between the Company and members of the Management Board.
4. The Management Board shall act on the basis of the rules and regulations adopted by the Management Board and approved by the Supervisory Board.

### **§ 24**

1. The competence of the Management Board shall include all economic matters and decisions, as well as other matters as long as they are not reserved for exclusive competence of the Shareholders' Meeting or the Supervisory Board by means of the provisions of the Commercial Companies Code or the Company's By-Laws.
2. The work of the Management Board shall be managed by the President of the Management Board. The President of the Management Board shall convene meetings of the Management Board subject to the terms specified in the rules and regulations of operation of the Management Board and may issue regulations in all matters concerning the order and organization of the work of the Management Board.
3. The internal distribution of competence is binding in the Company and such division shall be among members of the Management Board with regard to the conduct of the Company's affairs. A detailed scope of competence of individual members of the Management Board of the Company shall be specified by the Management Board.
4. Resolutions of the Management Board shall be required only by matters exceeding the scope of ordinary activities of the Company, including, in particular:
  - 1) adoption and amendment to the Rules and Regulations of the Management Board;
  - 2) adoption and amendment to the Organizational Rules and Regulations of the Company;
  - 3) adoption of motions addressed to the Supervisory Board or the Shareholders' Meeting;
  - 4) convening of Shareholders' Meetings and determination of their agenda;
  - 5) acceptance of annual and long-term financial plans, as well as development strategy of the Company;
  - 6) granting of a right of commercial representation or general powers of attorney;
  - 7) incurring of credits and loans;
  - 8) granting of loans and donations;
  - 9) disposal of rights or incurring of liabilities with a value exceeding PLN 500,000 (in words: five hundred thousand zlotys), excluding purchase and sale of raw materials, semi-finished products and products related to the business of the Company up to PLN 6,000,000 (in words: six million zlotys), in a single transaction or a series of associated transactions;
  - 10) applying for bank guarantees, incurring of liabilities under bills of exchange, granting of any types of sureties and establishment of other securities.

5. A resolution of the Management Board shall also be required in matters which do not exceed the scope of ordinary activities of the Company, if the adoption of the same is required by any of the members of the Management Board.

6. Resolutions of the Management Board shall be adopted by means of an absolute majority of votes, with at least half of its members participating in the vote. In the event of an equal number of votes, the vote of the President of the Management Board shall be decisive.

7. The President of the Management Board shall settle internal competence disputes among members of the Management Board.

8. The Management Board may adopt its resolutions without a duly convened meeting, by way of votes cast in writing or means of direct distant communication, provided however that any resolutions adopted in the aforementioned manner shall be effective if all members of the Management Board have received a notification specifying the contents of the proposed resolution.

## **§ 25**

The President of the Management Board acting solely, two members of the Management Board acting jointly or one member of the Management Board acting jointly with the Commercial Representative shall be entitled to place statements of will and sign on behalf of the Company.

### ***V. Final Provisions***

## **§ 26**

The Company shall place announcements in accordance with the requirements stipulated in the Commercial Companies Code.

## **§ 27**

In all matters not governed by these By-Laws the provisions of the Commercial Companies Code and other binding legal regulations shall apply to the Company.