

# **STATUTE OF A JOINT STOCK COMPANY**

## **Polenergia SA**

consolidated text

*(incorporating changes resulting from the judgment of the Court of Appeals in Warsaw, 7<sup>th</sup> Economic Division of 28 January 2020)*

### **I. GENERAL PROVISIONS**

#### **Article 1**

The business name of the Company shall be: Polenergia Spółka Akcyjna. The company may use an abbreviated name: Polenergia S.A. and a distinctive graphic design.

#### **Article 2**

2.1. The registered office of the Company shall be the capital city of Warsaw.

2.2. The founders of the company are:

- a) Andrzej Chajec residing in Warsaw at ul. Bukowińska 26/58, holding ID series DD number 0502273;
- b) Polish Private Equity Fund I with the head office at 375 Park Avenue, Suite 1902, New York, NY 10152, United States of America;
- c) Polish Private Equity Fund II with the head office at 375 Park Avenue, Suite 1902, New York, NY 10152, United States of America;

Polish Private Equity Fund I and Polish Private Equity Fund II, along with a shareholder Polish Enterprise Fund, LP., with the head office at 375 Park Avenue, Suite 1902, New York, NY 10152, United States of America, shall be hereinafter jointly referred to as the “Funds.”

#### **Article 3**

3.1. The Company shall operate on the territory of the Republic of Poland and abroad.

3.2. The duration of the Company shall be indefinite.

3.3. Subject to Article 12.2 letter (o) below, the Company may establish and operate its branches, plants, branches, representative offices and other organisational units, as well as participate in other companies or enterprises on the territory of the Republic of Poland and abroad.

## **II. OBJECTS OF THE COMPANY'S OPERATION**

### **Article 4**

4.1. The objects of the Company's operation shall be:

- a) generation and distribution of electricity (PKD 40.10),
- b) generation and distribution of heat (steam and hot water) (PKD 40.30),
- c) general construction and civil engineering (PKD 45.21),
- d) construction installation activities (PKD 45.3),
- e) other credit granting (PKD 65.22.Z), with the exception of activities for which it is necessary to obtain a license or permit, or which are reserved for performance by banks,
- f) research and development works in the field of natural and technical sciences (PKD 73.10),
- g) development and sale of own real estate (PKD 70.11.Z),
- h) management of real estate on a fee or contract basis (PKD 70.32),
- i) accounting and bookkeeping activities (PKD 74.12.Z),
- j) construction, urban and technological design activities (PKD 74.20.A.),
- k) management consultancy activities (PKD 74.14.Z),
- l) other commercial activity not classified elsewhere (PKD 74.84.B),
- m) out-of-school forms of education, not classified elsewhere (PKD 80.42.Z).
- n) wholesale of solid, liquid, and gaseous fuels and derived products (PKD 51.51.Z).

4.2. Should the undertaking of any of the above-mentioned activities require obtaining a permit/license of a relevant authority, the Company shall obtain such permission/license before taking up that activity.

### **III. SHARE CAPITAL AND SHARES**

#### **Article 5**

5.1. The share capital shall amount to PLN 90,877,094 (ninety million, eight hundred and eighty-seven thousand, ninety-four) zlotys, and shall be divided into shares with a face value of PLN 2 each, including 2,213,904 series A shares; 2,304,960 series B shares; 515,256 series C shares; 566,064 series D shares; 1,338,960 series E shares; 544,800 series F shares; 683,376 series G shares; 288,000 series H shares; 856,704 series I shares; 3,835,056 series J shares; 1,640,688 series K shares; 3,144,624 series L shares, 182,359 series M shares; 69,922 series N shares, 70,908 series O shares, 89,500 series P shares, 37,560 series R shares, 147,026 series S shares, 125,300 series U shares, 143,200 series W shares, 945,800 series T shares, 1,570,000 series Y shares and 24,129,580 series Z shares.

5.1a. (repealed)

5.2. Each share of the Company entitles the shareholder to one vote at the General Meeting.

5.3. The company may issue registered shares and bearer shares.

5.4. At the request of a shareholder, the Management Board of the Company shall convert registered shares of the shareholder into bearer shares. Only fully paid shares may be converted.

5.5. The share capital may be increased by issuing new shares or increasing the face value of the existing shares on the terms and conditions specified in a resolution of the General Meeting. The current shareholders shall have the pre-emption right with respect to acquisition of new share issues in proportion to the number of shares they hold.

5.6. (repealed)

5.7. Shares may be redeemed under a resolution of the General Meeting with the consent of the shareholder whose shares are to be redeemed (voluntary redemption). Redemption of shares shall require a reduction of the share capital. A shareholder shall be entitled to compensation for the redemption of his shares in an amount equal to the value of his redeemed shares determined by a resolution of the General Meeting.

5.8. (repealed)

5.9. (repealed)

5.10. (repealed)

5.11. (repealed)

5.12. Pursuant to the resolution on the issue of series 3 subscription warrants entitling to acquire series X shares of the Company and conditional share capital increase through the issue of series X shares taken by the General Meeting on 25 March 2010, the share capital of the Company was conditionally increased by PLN 1,540,760 through the issue of 770,380 ordinary bearer X series shares with a face value of PLN 2 (two) each.

#### **Article 6**

The Company's shares are transferable.

### **IV. COMPANY'S AUTHORITIES**

#### **Article 7**

The Company's authorities shall be:

1. The Management Board of the Company;
2. The Supervisory Board; and
3. The General Meeting.

### **A. THE MANAGEMENT BOARD OF THE COMPANY**

#### **Article 8**

8.1. The Management Board of the Company shall consist of one to five members, including the President of the Management Board. The term of office of the Management Board shall be 3 (three) consecutive years, with the exception of the first Management Board, whose term shall be 1 (one) year. Management Board members shall not be appointed for a joint term.

8.2. With the exception of the first Management Board appointed by the Company's founders, the Management Board of the Company shall be appointed by the Supervisory Board, which shall also determine the number of members for each term, pursuant to Article 8.1 of the Statute.

8.3. The Supervisory Board may dismiss or suspend a member of the Management Board or the entire Management Board before the end of the term of office.

## **Article 9**

9.1. The Management Board shall manage the Company and represent it externally.

9.2. All matters related to the management of the Company not reserved by the Act or this Statute to the competence of the General Meeting or the Supervisory Board shall belong to the competence of the Management Board. Before performing an activity that requires a permission or consent of another body of the Company, the Management Board shall be required to obtain such consent or permission.

9.3. The Rules of the Management Board shall specify in detail the mode of operation of the Management Board. The Rules shall be adopted by the Supervisory Board.

9.4. If the Management Board is composed of several people, two members of the Management Board or one member of the Management Board together with a proxy shall be required to make declarations of will and sign on behalf of the Company.

9.5. The President of the Management Board shall manage the work of the Management Board, convene and chair the meetings of the Management Board, set the agenda of the meetings, order written voting on the terms and conditions set out in the Rules of the Management Board and coordinate the activities of individual members of the Management Board in accordance with the responsibilities entrusted under the Rules of the Management Board.

9.6. Resolutions of the Management Board shall be adopted by an absolute majority of votes, with the participation of at least half of the Management Board Members, in the event of an equal distribution of votes, the President of the Management Board shall have the casting vote.

9.7. The Management Board may adopt resolutions without convening the meeting by means of a written vote if all members of the Management Board have agreed to such a resolution and have been informed about the content of the draft resolution.

9.8. Meetings of the Management Board can be held using remote communication tools provided by the Company in a way that enables all members of the Management Board participating in such a meeting to hear one another. Members of the Management Board present at the meeting of the Management Board shall be obliged to sign the minutes of the meeting of the Management Board no later than immediately after the opening of the next meeting of the Management Board. Lack of signature or refusal to sign by a member of the Management Board shall be recorded by the President in the minutes, explaining the circumstances. A member of the Management Board

refusing to sign the minutes of the previous Management Board meeting in which they participated, whether directly or by means of remote communication devices, shall be required to submit a written explanation of the refusal to sign. Lack of a Management Board member's signature on the minutes of the meeting shall have no negative impact on the validity of resolutions adopted at that meeting. In the case of a meeting convened and held by means of devices for remote communication, it shall be assumed that the place of residence of the President of the Management Board shall be the place of holding the meeting and preparing the minutes.

## **B. SUPERVISORY BOARD**

### **Article 10**

10.1. The Supervisory Board shall consist of six to nine members. The number of members of the Supervisory Board of a given term shall be determined by the General Meeting. In the event of election of Supervisory Board members by voting in groups, in accordance with the provisions of the Code of Commercial Companies, the Supervisory Board, elected in this way, shall have seven members, regardless of the content of the resolution of the General Meeting referred to above.

10.2. Members of the Supervisory Board shall be appointed and dismissed as follows:

- a) a shareholder holding, for a continuous period of more than two years, at the time of exercising their right, shares that represent at least 33% of the Company's share capital, shall be entitled to appoint and dismiss two members of the Supervisory Board, including its Chairman, by submitting a written declaration to the Company. In the event that more than one shareholder meets the above condition, the Chairman of the Supervisory Board shall be appointed by a shareholder that holds the largest stake of shares;
- b) China - Central and Eastern Europe Investment Co-operation Fund SCS SICAV-SIF based in Luxembourg, Grand Duchy of Luxembourg (the "Fund") shall be entitled to appoint and to dismiss 1 member of the Supervisory Board by submitting a written declaration to the Company;
- c) other members of the Supervisory Board shall be appointed and dismissed by the General Meeting;
- d) the rights to appoint and dismiss members of the Supervisory Board referred to in letter a) and b) above may not be performed jointly by the same entity or entities belonging to one capital group.

10.3. At least 2 members of the Supervisory Board should meet the independence criteria set out in the Code of Best Practices for WSE Listed Companies, constituting an Annex to Resolution No. 19/1307/2012 of the Board of the Exchange of 21 November 2012, or in a document that replaces this Code, including in particular, to have no connections of an economic, family or other nature with Kulczyk Investment SA (“KI”), in accordance with its statement submitted to the Company, that might affect the position of a member of the Supervisory Board in a matter decided by the Board.

10.4. The Management Board shall be obliged to inform shareholders, including Capedia Holdings Limited with registered office in Nicosia, Cyprus (the “Investor”), about candidates for members of the Supervisory Board submitted to the Company by other shareholders.

## **Article 11**

11.1. The term of office of the Supervisory Board shall be 3 (three) years, except for the term of the first Supervisory Board, which shall be 1 (one) year. Members of the Supervisory Board shall not be appointed for a joint term of office.

11.2. The Supervisory Board shall act on the basis of the Rules adopted by the Supervisory Board and approved by the General Meeting.

11.3. Up to two Deputies of the Chairman of the Supervisory Board shall be elected by the Supervisory Board from among its members.

11.4. The meeting of the Supervisory Board shall be convened and chaired by the Chairman, and in his absence by the Deputy Chairman. If a meeting of the Supervisory Board is convened by the Deputy Chairman, the meeting shall be chaired by the Deputy Chairman who convened the meeting. The chairman of the stepping down Supervisory Board shall convene and open the first meeting of the newly elected Supervisory Board.

11.5. The meeting of the Supervisory Board may be ordinary or extraordinary. Ordinary meetings should be held at least four times a year (once a quarter). An extraordinary meeting may be convened at any time.

11.6. The Chairman of the Supervisory Board or the Deputy Chairman shall convene a meeting of the Supervisory Board on his own initiative or at a written request of the Management Board of the Company and/or a member of the Supervisory Board. The meeting should be convened within 2 (two) weeks from the moment of submitting the application.

11.7. Meetings of the Supervisory Board shall be convened in the manner specified in the Rules of the Supervisory Board.

11.8. Meetings of the Supervisory Board may be held by means of remote communication tools made available by the Company in a manner enabling each participant of the Supervisory Board participating in the meeting to hear one another. Members of the Supervisory Board present at the meeting and the Supervisory Board are required to sign the minutes of the Supervisory Board meeting no later than immediately after the opening of the next meeting of the Supervisory Board. Lack of signature or refusal to sign by a member of the Supervisory Board shall be recorded in the minutes by the Chairman of the Supervisory Board, explaining the circumstances. A member of the Supervisory Board refusing to sign the minutes from the previous meeting of the Supervisory Board, in which they participated, either directly or by means of devices for remote communication, shall be required to submit a written explanation of the refusal to sign. Lack of signature of a member of the Supervisory Board under the minutes of the meeting shall not have a negative impact on the validity of resolutions adopted at this meeting. A secret ballot concerning the election or dismissal of a member of the Board may only be held at a meeting held in the presence of members of the Supervisory Board. Admission by a Chairman of the Supervisory Board of a member of the Supervisory Board to participate, via means of remote communication, in a meeting of the Supervisory Board convened as a meeting with direct participation of members of the Supervisory Board, shall be possible if the member of the Supervisory Board was not able to personally attend the meeting. In such a case, a member of the Supervisory Board who is absent from its meeting shall not take part in the secret ballot. They may participate in other votes conducted by the Supervisory Board. In the case of meetings convened and held with the use of devices for distance communication, it shall be assumed that the place of the meeting and minutes are the place of residence of the Chairman of the Supervisory Board or, in their absence, the Deputy Chairman's, if the meeting was held under the chairmanship of the Deputy Chairman of the Supervisory Board.

11.9. To the extent permitted by law, resolutions of the Supervisory Board may be adopted by a written vote ordered by the Chairman or by the Deputy Chairman in their absence, if all members of the Supervisory Board agree to the content of resolutions or to vote in writing. The date of signing a resolution by the Chairman or Deputy Chairman, if the written vote was ordered by the Deputy Chairman, shall be deemed as the date of adopting the resolution.

11.9a. Subject to the exceptions provided for by law or the Statute, Supervisory Board Members may participate in adopting resolutions by casting their votes in writing through another member



of the Supervisory Board.

11.10. For the validity of the meeting and the adopted resolutions of the Supervisory Board, it shall be required that all members of the Board have been invited to the meeting, pursuant to Article 11.7 above, and at least 3 (three) members are present.

## **Article 12**

12.1. The Supervisory Board shall exercise ongoing supervision over the Company's operations.

12.2. In addition to other matters reserved by the provisions of this Statute or by law, the special powers of the Supervisory Board shall include:

- a) evaluation of the Company's financial statements for the previous financial year;
- b) issuing opinions on the Management Board's report and the Management Board's motions regarding the allocation of profit (including payment of dividends) or covering losses, as well as draft resolutions proposed for adoption by the General Meeting and other significant materials presented to shareholders in connection with the General Meeting;
- c) examining and approving the Company's annual operational and financial plans ("Company's Budget") and Projects (the "Project Budget") in which the Company invests, and any material changes to them, and requesting from the Management Board detailed reports on their implementation; "Project" means a company, activity or undertaking related to the generation, transmission, distribution or trading of electricity (including energy from renewable sources) or thermal energy, supply, distribution, or trade in fuels (including gas) in which the Company is a shareholder, an investor, preparing a venture (developer) or manager; c<sup>1</sup>) expressing consent for the Company to incur capital expenditure, the value of which exceeds the equivalent of USD 100,000 (one hundred thousand), calculated on the basis of the average exchange rate announced by the President of the National Bank of Poland on the day of the transaction (the "Exchange Rate") on companies, operations or enterprises not being a Project;
- d) examining and approval of strategic development plans of the Company;
- e) submitting to the General Meeting a written report on the results of the activities referred to in letters (a), (b) of this Article 12.2;
- f) appointing, dismissing and suspending a member of the Company's Management Board, including the President, Vice-President or the entire Management Board;
- g) determining the number of Management Board members for the next term of office;
- h) determining the remuneration and other benefits of Management Board members;

- i) delegating its member or its members to temporarily perform the duties of the Company's Management Board in the event of dismissal or suspension of the entire Management Board or if the Management Board cannot act for other reasons;
- j) granting consent to the sale, lease, exchange or other disposal of the Company's property, including the Company's shares in any Project, either as part of a single transaction or as part of several related transactions, whose market value exceeds the equivalent of USD 100,000 (one hundred thousand) according to the Exchange Rate;
- k) giving consent to take a loan, incur or grant a borrowing by the Company or incur other debts with the exception of (i) commitments related to the provision of services and supplies of goods contracted under regular business dealings, (ii) taxes not yet payable, (iii) short-term debt under other titles, where the part not provided for in the approved budget of the Company does not exceed in total a PLN equivalent of USD 250,000 (two hundred fifty thousand) according to the Exchange Rate;
- l) giving consent to spend by the Company amounts exceeding a PLN equivalent of USD 250,000.00 (two hundred fifty thousand) according to the Exchange Rate, either as part of one transaction or a series of related transactions, with the exception of expenses approved and listed in the approved Company Budget or incurred in the ordinary course of the Company's operations, with the reservation that investment expenses shall not be understood as incurred in the ordinary course of the Company's operations;
- m) giving consent to the Company's participation in legal actions, the other party of which is any entity of the following:
  - i) an entity in which the Company holds, directly or indirectly, stocks or shares, unless the Company holds directly or indirectly 100% (one hundred percent) of the share capital of such entity;
  - ii) a member of the Company's Management Board;
  - iii) a member of the Supervisory Board;
- n) giving consent to the conclusion by the Company of a civil, public or limited partnership agreement, an agreement on participation in profits or revenues or any other similar agreement based on which the Company's revenues or profits are or may be shared with other persons or entities;
- o) giving consent to the establishment of branches and subsidiaries by the Company and consent to the acquisition or subscription of shares in other companies and entering into partnerships with companies other than companies in which the Company holds directly or indirectly 100% (one hundred percent) of the share capital;

- p) giving consent for the Company to grant sureties, guarantees and any encumbrances of the Company's assets, whenever the total amount of sureties, guarantees and other encumbrances on the Company's assets would exceed or exceed a PLN equivalent of USD 100,000.00 (one hundred thousand) according to the Exchange Rate, unless that such an encumbrance was foreseen in the approved Company's Budget;
- r) selecting or changing the Company's certified auditor;
- s) giving consent to the establishment of a proxy and remuneration for proxies;
- t) giving consent to the conclusion, significant change or termination of a contract, the value of which exceeds a PLN equivalent of USD 500,000 (five hundred thousand) according to the Exchange Rate for the supply of energy services, energy purchase, facility management, lease, supply and turnkey construction, maintenance and operation of equipment, incurring loans and borrowings, fuel supplies and other contracts relating to Projects in which the Company is involved, including any changes to orders under supply and turnkey contracts, unless the performance of the activity was provided for in an approved Company's Budget;
- u) giving consent to the terms of financing Projects and significant changes to such terms of financing;
- v) giving consent to make a significant change to the accounting principles applied by the Company;
- w) giving consent to the purchase or sale by the Company of real estate, perpetual usufruct right or a share in real estate, unless the performance of a given action was provided for in the approved Company's Budget or a Project Budget.

### **Article 13**

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

13.2. The remuneration of the members of the Supervisory Board shall be determined by the General Meeting.

13.3. The Supervisory Board may delegate one or several of its members to individually perform supervisory activities.

13.4. Each member of the Supervisory Board shall have the right to demand that the Supervisory Board should obtain all information regarding the Company's business or that it should examine the obtained information about the Company.

### **Article 14**

14.1 The Supervisory Board shall adopt resolutions by a simple majority of votes cast. In case of an equal number of votes cast for and against the adoption of a resolution, the Chairman of the Supervisory Board shall have the casting vote, and in their absence – the Deputy Chairman of the Supervisory Board.

14.2. The resolutions of the Supervisory Board referred to in Article 12.2 (c<sup>1</sup>) shall require, for their validity, the consent of at least half of the members of the Supervisory Board who meet the independence criteria indicated in Article 10.3. If one member of the Supervisory Board meeting the criteria of independence specified in Article 10.3 takes part in the vote on the above-mentioned resolution, the resolution shall be valid if that member votes in favour of its adoption. If not a single member of the Supervisory Board meeting the criteria of independence specified in Article 10.3 takes part in the vote on the above-mentioned resolution, the resolution shall be adopted by a simple majority, without the need for participation in the vote of an independent member of the Supervisory Board.

#### **Article 14a**

14a.1. An Audit Committee shall operate within the Supervisory Board.

14a.2. The Audit Committee shall include a member of the Supervisory Board referred to in letter (b) of Article 10.2.

14a.3. The Rules of the Audit Committee shall determine in detail the mode of operation of this Committee. The Rules of the Audit Committee shall be adopted by the Supervisory Board.

### **C. GENERAL MEETING**

#### **Article 15**

15.1. The General Meeting may be ordinary or extraordinary.

15.2. An Ordinary General Meeting should be held no later than 6 (six) months after the end of a financial year of the Company.

15.3. An Extraordinary General Meeting shall be convened by:

- a) the Management Board of the Company, on its own initiative or at the request of the Supervisory Board,
- b) the Supervisory Board, if it considers it necessary to convene a General Meeting or if the Management Board fails to convene it within the prescribed period,
- c) shareholders representing at least half of the share capital or at least half of the total

votes in the Company.

15.3a. A shareholder or shareholders representing at least 1/20 of the share capital may request that an Extraordinary General Meeting should be convened and that certain matters should be placed on the agenda of the General Meeting. The request should be submitted to the Management Board, in writing or in an electronic form to the e-mail address indicated on the Company's website, along with justification.

15.3b. The agenda of the General Meeting shall be determined by the Management Board of the Company, and in the cases specified in Article 15.3. letters (b) and (c) by the convenor of the General Meeting.

15.3 c. A shareholder or shareholders representing at least 1/20 of the share capital may:

1) request that specific matters be placed on the agenda of the next General Meeting; such a request should be submitted to the Management Board, in writing or in an electronic form to the e-mail address indicated on the Company's website, no later than twenty one days before the set date of the Meeting and should include justification or draft resolution regarding the proposed agenda item;

2) before the date of the General Meeting, the Company should receive, in writing or via electronic means of communication, to the e-mail address indicated on the Company's website, draft resolutions on matters included in the agenda of the General Meeting on matters to be included in the agenda.

15.4. An Extraordinary General Meeting should be convened by the Management Board within 2 (two) weeks from the date of submitting the application in accordance with Article 15.3. letter (c).

15.5. (repealed)

15.6. (repealed)

## **Article 16**

16.1. A General Meeting may only adopt resolutions on matters included in the agenda, unless the entire share capital is represented at the Meeting and none of those present has objected to the adoption of a resolution.

16.2. (repealed)

16.3. (repealed)

### **Article 17**

A General Meetings shall be held in Warsaw, and the specific place of the meeting shall be determined in the announcement of convening the General Meeting.

### **Article 18**

18.1. (repealed)

18.2. (repealed)

18.3. Resolutions of the General Meeting shall be passed with an absolute majority of votes, unless the provisions of the Code of Commercial Companies, the provisions of other laws or the Statute provide for stricter conditions for their adoption.

### **Article 19**

19.1. (repealed)

19.2. (repealed)

### **Article 20**

20.1. The competences of the General Meeting shall include in particular:

- a) reviewing and approving the Management Board's report and the Company's financial statement;
- b) providing the Supervisory Board and the Management Board with acknowledgement of the performance of their duties;
- c) adopting resolutions on the distribution of profits or covering losses;
- d) establishment and elimination of special purpose funds;
- e) determining the rules and amount of remuneration for members of the Supervisory Board;
- f) changes in the objects of the Company's enterprise;
- g) changes in the Company Statute;
- h) increasing or decreasing of the share capital;
- i) merger or transformation of the Company;
- j) dissolution and liquidation of the Company;
- k) issuing convertible bonds;
- l) selection of liquidators;

- l) all provisions regarding claims for damages caused when establishing the Company or performing management or supervision activities;
- m) disposal of the business of the Company or its essential part;
- n) consideration of issues submitted by the Supervisory Board, the Management Board or shareholders who have the right to do so in accordance with the applicable regulations or this Statute.

20.2. In addition to the matters listed in Article 20.1, resolutions of the General Meeting shall require other matters specified in law or in the Statute.

20.3. Conclusions on matters in which this Statute requires the consent of the Supervisory Board should be submitted together with a written opinion of the Supervisory Board.

20.4. Acquisition or sale by the Company of real estate, perpetual usufruct right or interest in real estate shall not require the consent of the General Meeting.

### **Article 21**

21.1. Voting at General Meetings shall be open. A secret ballot shall be ordered at elections and on motions to dismiss members of the Company's authorities or liquidators, or to hold them liable, as well as on personal matters, and at the request of at least one of the people present.

22.2. Resolutions on changing the objects of the Company's business shall always be made in an open roll call.

## **V. ECONOMY OF THE COMPANY**

### **Article 22**

The organisation of the Company shall be defined in the by-laws adopted by the Management Board.

### **Article 23**

23.1. To cover balance sheet losses, the Company shall establish a supplementary capital for which annual write-offs will be made, in an amount no less than 8% (eight percent) of net annual profit, until the reserve capital reaches the amount equal to 1/3 (one-third of the share capital).

23.2. The company may create reserve capitals or special purpose funds to cover specific expenses or losses. Funds accumulated on these capitals or funds and derived from the Company's profit may be paid to shareholders.

23.3. Pursuant to the principles set out in the Commercial Companies Code, the net profit generated by the Company may be allocated for dividend to shareholders or excluded from distribution pursuant to a resolution of the General Meeting and intended for supplementary or reserve capital or for other purposes specified in a resolution of the General Meeting.

23.4. The General Meeting shall adopt a resolution on specifying the day on which the list of shareholders entitled to dividend for a given financial year will be determined.

23.5. (repealed).

#### **Article 23a**

The Management Board of the Company shall be authorized to pay the shareholders an advance on the expected dividend in accordance with the provisions of the Code of Commercial Companies. The advance payment shall require a consent of the Supervisory Board of the Company. The Management Board of the Company shall be authorised to pay dividend advances using reserve capital created from profit and allocated for payment of dividends.

#### **Article 24**

24.1. The financial year of the Company shall be the calendar year. The first financial year of the Company shall end on 31 December 1998.

24.2. The Company's accounting will be conducted in accordance with the provisions in force in the Republic of Poland.

24.3. The Management Board of the Company shall be obliged to prepare and submit to the Supervisory Board, within 4 (four) months after the end of the financial year, after verification by the certified auditors indicated by the Supervisory Board, a balance sheet as of the last day of the year, a profit and loss account, a cash flow statement and additional information, as well as an accurate written report on the Company's operations in the previous financial year.

24.4. Within the limits permitted by law and within the scope determined by the resolution of the Supervisory Board, the Management Board shall prepare monthly reports and will provide them to all members of the Supervisory Board within 28 (twenty eight) days after the end of each calendar month.

24.5. The Management Board will draw up annual budgets. The Management Board will present



the budget for the next financial year to the Supervisory Board for approval no later than 15 (fifteen) days before the end of the year preceding a given year.

24.6. If the Management Board publishes the current report regarding the extraordinary changes in the financial or legal situation of the Company or significant breaches of contracts to which the Company is a party, in accordance with the regulations on trading in securities on the regulated market, the Management Board shall be obliged to immediately inform the Supervisory Board of the circumstances.

### **Article 25**

25.1. The provisions of Article 10.2. letter (b), Article 10.4. and Article 14a of the Statute shall apply as long as the Investor has, directly or indirectly, at least 12.5% of the total number of votes at the General Meeting of the Company. If the Investor no longer meets the above condition, the provisions of Article 10.2. point (b), Article 10.4. and Article 14a of the Statute and the rights granted under them shall expire permanently.

25.2. The provisions of Article 12.2. point (c<sup>1</sup>) and Article 14.2 of the Statute shall apply as long as:

- a) KI has at its disposal, directly or indirectly, at least 50% of the total number of votes at the General Meeting of the Company and the majority of members of the Supervisory Board, according to their declarations submitted to the Company, has financial, family or other connections with KI, which may affect the position of a member of the Supervisory Board Supervisory Board on matters resolved by the Supervisory Board, or
- b) the investor has, directly or indirectly, at least 12.5% of the total number of votes at the General Meeting of the Company.

In the event that one of the above-mentioned conditions ceases to be met, the provisions of the Article 12.2. point (c<sup>1</sup>) and Article 14.2 of the Statute and the rights granted under them shall expire permanently.