

Warsaw, 8 June 2020

KG/165/2020

**Management Board  
of ENERGA Spółka Akcyjna  
Al. Grunwaldzka 472  
80-309 Gdańsk**

**A MOTION OF A SHAREHOLDER REPRESENTING AT LEAST ONE TWENTIETH OF THE SHARE CAPITAL FOR PLACING SPECIFIC MATTERS ON THE AGENDA OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS CONVENED AS AT 29 JUNE 2020**

Acting on behalf of: Polski Koncern Naftowy ORLEN Spółka Akcyjna with its registered office Płock (hereinafter also: PKN ORLEN S.A.), as a shareholder of ENERGA Spółka Akcyjna with its registered office Gdańsk (hereinafter also: "ENERGA S.A.", "Company") holding:

- 1) 186,385,082 series AA dematerialized shares, representing 45.01% of the share capital of ENERGA S.A., and carrying 186,385,082 votes, representing 33.34% of the total number of votes and
- 2) 144,928,000 non-dematerialised registered preference BB series shares, representing 35.00% of the share capital of ENERGA S.A., and carrying 289,856,000 votes, representing 51.85% of the total number of votes,

holding a total of 331,313,082 shares, representing 80.01% in the share capital of ENERGA S.A., giving right to 476,241,082 votes, representing 85.20% of the total number of votes, i.e. representing on their own at least one twentieth of the share capital of ENERGA S.A., on the basis of art. 401 § 1 of the Code of Commercial Companies, we apply for putting the following items on the agenda of the Ordinary General Meeting of Shareholders convened as at 29 June 2020, after item 13 "Passing of a resolution on adoption of the Remuneration Policy for Members of the Management Board and Supervisory Board of ENERGA SA and authorising the Supervisory Board of the Company to specify elements of the remuneration policy in greater detail":

- 14) Adoption of a resolution determining the rules for setting the remuneration of Members of the Management Board of ENERGA Spółka Akcyjna and repealing resolution 20 of the Ordinary General Meeting of Shareholders of ENERGA S.A. of 25 June 2019,
- 15) Adoption of a resolution determining the rules for setting the remuneration of Members of the Supervisory Board of ENERGA Spółka Akcyjna and repealing resolution 21 of the Ordinary General Meeting of Shareholders of ENERGA S.A. of 25 June 2019,
- 16) Adoption of a resolution amending the Company's Articles of Association and approving the uniform text of the Articles of Association.

**Justification**

On 30 April 2020 PKN ORLEN S.A. became the parent company of ENERGA S.A. within the meaning of art. 4 § 1 (4) (a) of the Code of Commercial Companies. The parent-subsidiary relationship was established as a result of settlement of the transaction of purchase of shares covered by subscriptions made as part of the call announced by PKN ORLEN S.A. on 5 December 2019 to subscribe for the sale of shares of ENERGA S.A., as amended by the announcement of 26 March 2020 and the announcement of 15 April 2020.

Given this, PKN ORLEN S.A. now holds 331,313,082 shares of ENERGA S.A. in total, representing 80.01% of Energa's share capital, and carrying 476,241,082 votes, representing 85.20% of the total number of votes.

Given this, PKN ORLEN S.A. as the main shareholder of the Company, requests that items on adopting of resolutions to determine the rules of setting the remuneration of Members of the Management Board and of Supervisory Board respectively be placed on the agenda of the Ordinary General Meeting of Shareholders of ENERGA S.A. convened as at 29 June 2020. This results from the need to adapt the rules to the Remuneration Policy for Members of the Management Board and Supervisory Board of ENERGA S.A., to be voted on at the Ordinary General Meeting of Shareholders of the Company on 29 June 2020, while ensuring fulfilment of the

**Polski Koncern Naftowy ORLEN Spółka Akcyjna with its registered office in Płock**  
09-411 Płock, ul. Chemików 7, phone: (+48 24) 256 00 00, fax: (+48 24) 367 70 00, www.orklen.pl  
entered into the National Court Register kept by the District Court, 14<sup>th</sup> Commercial Division in Warsaw under No: 0000028860  
Tax Identification Number (NIP): 774-00-01-454, share capital / paid-up capital: PLN 534,636,326.25

Office in Warsaw: 00-085 Warsaw, ul. Bielańska 12, phone: (+48 22) 778 00 00, fax: (+48 22) 367 70 00

obligation to comply with provisions of the *Act of 9 June 2016 on the rules of setting remuneration of persons who run certain companies*.

At the same time, given the fact that ENERGA S.A. is now part of the ORLEN Group, the main shareholder requests that an item be placed on the agenda to amend the Articles of Association of ENERGA S.A. and approve the uniform text of the Articles of Association of that Company, by incorporating, in the presented draft, the change in provisions relating to the State Treasury, which before the shares of the Company were purchased by PKN ORLEN SA, had been the shareholder representing the highest share in the share capital. Following this, provisions were introduced that gave personal rights to PKN ORLEN S.A., including rights to appoint and dismiss members of the Supervisory Board of the Company, as well as to nominate, out of the appointed persons, the member to act as the Chairman.

In addition, pursuant to *the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight*, provisions relating to requirements to be met by members of the audit committee were implemented, including in particular the criteria of independence, the criterion of knowledge of reporting and the criterion of industry knowledge.

The changes also refer to the regulation provided by art. 90 h et seq. of *the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies*, which provides for restrictions in the field of entering into transactions by the company in the regulated market with its related entity in accordance with IAS 24. These obligations include, in particular, the requirement to obtain a consent from the Supervisory Board (art. 90i section 3) and preparing a procedure for periodic assessment whether material transactions with a related party of the Company are concluded on an arm's length basis as part of the ordinary business of the Company (art. 90j section 2 and art. 90k).

At the same time, as part of the draft changes to the Articles of Association of ENERGA S.A., provisions of the Articles of Association were standardised, in accordance with the model adopted and effective in the ORLEN Group, to the extent legally possible for incorporation as regards a public company, including in particular

- 1) clarifying and standardising provisions relating to competences of the authorities, as well as to their functioning,
- 2) standardising, in accordance with the standard effective in the ORLEN Group, the definition of the term of office and mandate of the Management Board and Supervisory Board,
- 3) clarifying provisions related to the procedure of redeeming of shares (voluntary redemption),
- 4) adding provisions which specify the requirements to be met by a candidate for a member of the Supervisory Board, as required by *the Act of 16 December 2016 on the Rules of Managing State Assets*,
- 5) changing the maximum number of members of the Supervisory Board by reducing that number from 12 to 9 members,
- 6) extension and clarification of competences of the General Meeting of Shareholders.

On behalf of Polski Koncern Naftowy ORLEN S.A.

/stamp:/ President of the Management Board  
Daniel Obajtek  
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/stamp:/ Member of the Management Board,  
Corporate Affairs  
Armen Konrad Artwich  
/illegible signature/

Appendices:

1. Draft resolution of the Ordinary General Meeting of Shareholders on determining the rules of remuneration of Members of the Management Board of the Company and repealing resolution 20 of the Ordinary General Meeting of Shareholders of 25 June 2019,
2. Draft resolution of the Ordinary General Meeting of Shareholders on determining the rules of remuneration of Members of the Supervisory Board of the Company and repealing resolution 21 of the Ordinary General Meeting of Shareholders of 25 June 2019,
3. Draft Resolution of the Ordinary General Meeting of Shareholders on the amendment of the Company's Articles of Association,
4. Draft Resolution of the Ordinary General Meeting of Shareholders on adoption of the uniform text of the Company's Articles of Association,
5. Certificate on ownership of securities issued by ENERGA S.A. of 3 June 2020;
6. Printout of information corresponding to the current excerpt from the Register of Entrepreneurs for PKN

/logo:/ORLEN

ORLEN S.A.

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**Resolution No. ...**

**of the Ordinary General Meeting of a company trading under the business name of ENERGA Spółka Akcyjna with its registered office in Gdańsk of ..... 2020**

**on:** adoption of the rules for setting the remuneration of Members of the Management Board of ENERGA Spółka Akcyjna and repealing resolution 20 of the Ordinary General Meeting of Shareholders of 25 June 2019.

The Ordinary General Meeting of Shareholders of ENERGA Spółka Akcyjna (hereinafter referred to as "ENERGA S.A." or "Company"), acting pursuant to art. 378 § 2 of the Code of Commercial Companies, having regard to § 16.8 of the Company's Articles of Association, in connection with Resolution 4 of the Extraordinary General Meeting of Shareholders of Polski Koncern Naftowy ORLEN Spółka Akcyjna (hereinafter also "PKN ORLEN S.A.") of 24 January 2017 on the rules for setting the remuneration of Members of the Management Board, as amended, hereby resolves as follows:

**§1**

1. Subject to § 8 sections 3 and 4 below, a contract for the provision of management services (hereinafter: the Contract) is concluded with members of the Management Board of the Company for the duration of their function, with the obligation to provide services personally.
2. The content of the Contract shall comply with provisions of this Resolution.

**§2**

1. Remuneration of a Member of the Management Board shall consist of a fixed part (hereinafter: Fixed Remuneration) and a variable part, which is supplementary remuneration for the financial year of the Company (hereinafter: Variable Remuneration).
2. The amount of the monthly Fixed Remuneration of Members of the Management Board of the Company shall be determined as an amount and may not exceed 15 times the average remuneration in the enterprise sector without payment of awards from profit, as specified in the Act of 9 June 2016 on the Rules of Structuring Remunerations of Persons Managing Certain Companies (hereinafter: the Act).
3. The amount of the Fixed Remuneration for individual Members of the Management Board of the Company shall be determined in a resolution of the Supervisory Board of the Company.

**§3**

1. The Variable Remuneration shall depend on the level of achievement of managerial goals and shall not exceed 100% of the Fixed Remuneration.
2. A general catalogue of Managerial Goals shall be established, including in particular:
  - a) Implementation of projects to translate into an increase in the efficiency of the Orlen Group ratios,
  - b) Improvement of cost effectiveness in the ENERGA Group,
  - c) Implementation of strategic projects in accordance with the adopted budget and schedule of investments in the ENERGA Group,
  - d) Implementation of a long-term strategy in the field of security of supply, energy supply and storage, and diversification of the purchasing portfolio,
  - e) Increasing the TSR (Total Shareholder Return) ratio in relation to the market,
  - f) Decreasing the TRR (Total Recordable Rate) in the Energa Group,
  - g) Developing a portfolio of projects and increasing expenditure on research, development and innovation,
  - h) Improvement of quality indicators for customer and product service
3. In addition, additional Managerial Goals are established to determine payment of Variable Remuneration for a given financial year in the form of:
  - a) applying the rules of remuneration for members of management and supervisory bodies in accordance with the Act in all companies of the Energa Group,
  - b) fulfilment of obligations referred to in art. 17–20, art. 22 and art. 23 of the Act of 16 December 2016 on the Rules of Managing State Assets (Journal of Laws of 2018, item 1182, as amended), in the subsidiaries of the Company within the meaning of art. 4 (3) of the Act of 16 February 2007 on Competition and Consumer Protection (Journal of Laws of 2017, item 229, as amended).
4. Specification of Managerial Goals referred to in section 2 above, as well as an indication of the weights and criteria for achieving these Goals (KPI) shall be made in the resolution of the Supervisory Board of the Company determining the remuneration of individual Members of the Management Board and the Rules of

the Bonus System for the Management Board of the Company as adopted by the Supervisory Board, laying down the detailed rules for calculating the Variable Remuneration due and determining Individual Bonus Tasks as part of the general catalogue of Managerial Goals, taking into account that:

- a) Variable Remuneration shall be payable to a given Member of the Management Board after the General Meeting of Shareholders of PKN ORLEN S.A. approves the consolidated financial statements and the General Meeting of Shareholders of ENERGA S.A. approves the report of the Management Board on the activities of the Company and the financial statements of the Company for the previous financial year and the General Meeting of Shareholders grants the vote of acceptance to the Member of the Management Board to confirm the discharge of their duties;
  - b) Variable Remuneration shall be converted pro rata to the number of days on which Members of the Management Board provided service in a given financial year;
  - c) fulfilment of the Variable Remuneration conditions for individual Members of the Management Board for whom Managerial Goals are set for a given financial year and who performed functions in the financial year being assessed shall be confirmed by the Supervisory Board which shall define the amount due, based on the audited financial statements and other documents, depending on the Goals set.
5. Expiry of the mandate of the Management Board Member being assessed in terms of fulfilment of the Managerial Goals shall not result in the loss of the entitlement to the Variable Remuneration, under conditions set out in clauses 1–4 above, provided that the function was performed for more than 3 (three) months in the financial year being assessed.

#### §4

1. The Contract should provide for an obligation for the Member of the Management Board to obtain the consent from the Supervisory Board to perform a function in the governing bodies of other entities and the consent for the purchase of shares in commercial law companies and may also provide for a ban on performing functions in the governing bodies of any other commercial law company or impose other restrictions concerning additional activities of the Member of the Management Board. A Member of the Management Board shall inform the Supervisory Board of their intention to act as a member of the body of a subsidiary of the Company.
2. A Member of the Management Board shall not receive remuneration for performing the function of a member of a governing body in subsidiaries of the Company within the capital group within the meaning of Article 4(14) of the Act of 16 February 2007 on Competition and Consumer Protection.
3. The Contract may specify other prohibitions, restrictions and obligations regarding sitting on and collecting remuneration for sitting on the bodies of other entities, as well as reporting obligations regarding fulfilment of such obligations and sanctions for improper performance of these obligations.

#### §5

1. The Contract may specify the scope, limits (including the method of determining the limits), as well as the rules for providing the Member of the Management Board with technical equipment and resources owned by the Company for the proper performance of their functions, including:
  - a) office space with equipment,
  - b) a company car,
  - c) a mobile phone,
  - d) a laptop computer with the necessary additional equipment,
  - e) payment cards- to the extent necessary for the performance of the Contract by a Member of the Management Board.
2. The Contract may specify the rules for the participation of a Member of the Management Board in seminars, conferences and training necessary for the proper performance of the Contract.
3. The Contract may provide for the rules of the Company paying for the costs related to accommodation or co-financing the costs of renting a flat if the place of residence is more than 100 km from the registered office of the Company, up to PLN 3,500 gross and the medical care package under the rules in effect in the Company.

#### §6

1. If the mandate expires, in particular as a result of death, revoking or resignation, the Contract shall be terminated on the last day of performing the function without the period of notice, without the need for any additional actions.
2. The Contract may be terminated by either Party with immediate effect in the event of a gross breach of the provisions of the Contract by the other party.
3. Each of the Parties may terminate the Contract for reasons other than defined in section 2 above, with a maximum 3 months' notice, provided that if, during the notice period, the event referred to section 1 above

takes place that results in termination of the Contract following cease of function performance, the Contract shall be terminated in accordance with section 1 above.

4. Subject to section 5 below, if the Contract is terminated or withdrawn from by the Company for reasons other than specified in section 2 above, the Member of the Management Board may be granted a severance pay in the amount not higher than 3 times the Fixed Remuneration, provided that the Member performed the function for at least 12 (twelve) months before the Contract is terminated.
5. The severance pay referred to in section 4 above shall not be payable in the event of:
  - a) termination, withdrawal from or amendment of the Contract following a change in the function performed by the Member of the Management Board in the composition of the Management Board;
  - b) termination, withdrawal from or amendment of the Contract following election of the Member of the Management Board for another term of the Management Board;
  - c) resignation from the function;
  - d) termination of the Contract by a Member of the Management Board, except the situation when the Member of the Management Board terminates the Contract because the Company unreasonably delays with payment of their remuneration for a period exceeding 2 months;
  - e) if the Member of the Management Board does not accept the proposal of concluding another contract with the Company or PKN ORLEN S.A. or companies related to PKN ORLEN S.A. or companies related with ENERGA S.A. at least under the same conditions as those specified in the Contract if the duration of the new contract lasts at least one year unless the Parties agree on otherwise;
  - f) if the Member of the Management Board is employed for at least one year and such employment continues uninterrupted for at least one year (under a contract of employment or another legal relation) in PKN ORLEN S.A. or in ENERGA S.A. or in companies related to PKN ORLEN S.A. or in companies related to ENERGA S.A. over a period shorter than 12 months of revoking or expiry of the mandate of the Member of the Management Board as a result of expiry of the term of office. If a Member is hired in PKN ORLEN S.A. or in ENERGA S.A. or in companies related to PKN ORLEN S.A. or in companies related to ENERGA S.A. before the date of payment of the severance pay, payment of the severance pay shall be suspended for the duration of employment and if severance pay was paid before that time, it shall be refunded at the first request of the Company by the specified date. After one year of uninterrupted employment as referred to in the first sentence, the right to severance pay expires.

#### §7

1. A non-competition agreement in force after termination of the function may be concluded with a Member of the Management Board, where such an agreement shall enter into force after at least 3 (three) months of performance of the function by a Member of the Management Board, and the amount of non-competition compensation may not exceed 100% of monthly Fixed Remuneration received by a Member of the Management Board before the termination of the function, for a period corresponding to the period of non-competition.
2. Conclusion of the non-competition agreement after the Contract is terminated or withdrawn from is unacceptable.
3. The non-compete period shall not exceed 6 (six) months after the member of the Management Board ceased to perform their function.
4. In the event of non-performance or improper performance of the non-compete agreement by a Member of the Management Board, the member shall pay a contractual penalty to the Company, in an amount not lower than the damages due for the entire period of non-competition.
5. The agreement shall specify at least the definition of activities that are competitive to the company, the amount of damages for failure to comply with the non-competition agreement, deadlines for payment of the damages, information obligations of the Member of the Management Board and the cases where the non-competition clause no longer applies; the agreement may also specify the right of the Company to withdraw from the non-competition agreement or the right of the parties to terminate the non-competition agreement.

#### §8

1. The rules for determining remuneration specified in this Resolution shall contain a catalogue of elements of remuneration and benefits that may be awarded to Members of the Management Board in this respect.
2. Individual terms of providing management services by a Member of the Management Board, including determining the amount of Fixed remuneration, conditions for granting and settling Variable Remuneration, the scope of additional benefits, the amount and terms of payment of severance pay and non-competition compensation after the expiry of the Contract shall be specified in a resolution of the Supervisory Board of the Company and such terms do not have to provide for all the elements of the remuneration or benefits specified in this Resolution.
3. The Supervisory Board of the Company may also decide that a given Member of the Management Board

shall perform the function without remuneration.

4. In the cases referred to in section 3 above, a resolution of the Supervisory Board of the Company should exclude the right to remuneration in the resolution appointing a Member of the Management Board, and no Contract shall be concluded with the Member of the Management Board.

§9

Resolution 20 of the Ordinary General Meeting of Shareholders of ENERGA Spółka Akcyjna with its registered office in Gdańsk of 25 June 2019 on determining the rules of setting the remuneration of Members of the Management Board and repealing Resolution 27 of the Extraordinary General Meeting of Shareholders of 15 December 2016 on the rules of setting the remuneration of the Members of the Management Board of ENERGA Spółka Akcyjna with its registered office in Gdańsk and Resolution 30 of the Ordinary General Meeting of the Company trading as ENERGA Spółka Akcyjna with its registered office in Gdańsk of 26 June 2017 on amendment to Resolution 27 of the Extraordinary General Meeting of Shareholders of 15 December 2016 on the rules of setting the remuneration of Members of the Management Board of ENERGA Spółka Akcyjna with its registered office in Gdańsk shall expire.

§10

The Resolution comes into effect upon its adoption.

**Resolution No. ...**

**of the Ordinary General Meeting of a company trading under the business name of ENERGA Spółka Akcyjna with its registered office in Gdańsk of ..... 2020**

**on:** adoption of the rules for setting the remuneration of Members of the Supervisory Board of ENERGA Spółka Akcyjna and repealing resolution 21 of the Ordinary General Meeting of Shareholders of 25 June 2019.

The Ordinary General Meeting of Shareholders of ENERGA Spółka Akcyjna with its registered office in Gdańsk (hereinafter: ENERGA S.A., Company), acting pursuant to art. 2 (2) (1), art. 10, in connection with art. 1 (3) (11) of the Act of 9 June 2016 on the Rules of Structuring Remunerations of Persons Managing Certain Companies (Journal of Laws of 2017 item 2190 as amended) (Act) and art. 392 § 1 of the Code of Commercial Companies, hereby resolves as follows:

§1

1. The monthly remuneration of Members of the Supervisory Board of the Company is hereby set as the product of the assessment basis referred to in Article 1 (3) (11) of the Act and the multiplier of 1.5 for all Members of the Supervisory Board of the Company.
2. The amount of the calculation base as referred to in section 1 above shall be determined in accordance with provisions of the generally applicable law.
3. Remuneration shall not be payable for the month in which a Member of the Supervisory Board of the Company was not present at any of the properly convened meetings of the Supervisory Board of the Company, and their absence was not justified in the manner specified by the By-laws of the Supervisory Board of the Company.

§2

Resolution 21 of the Ordinary General Meeting of Shareholders of ENERGA Spółka Akcyjna with its registered office in Gdańsk of 25 June 2019 on determining the rules of setting the remuneration of Members of the Supervisory Board and repealing Resolution 28 of the Extraordinary General Meeting of Shareholders of ENERGA Spółka Akcyjna with its registered office in Gdańsk of 15 December 2016 on the rules of setting the remuneration of the Members of the Supervisory Board of ENERGA Spółka Akcyjna with its registered office in Gdańsk shall expire.

§3

The Resolution comes into effect upon its adoption.



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**Resolution No. ...  
of the Ordinary General Meeting of a company trading under the business name of  
ENERGA Spółka Akcyjna with its registered office in Gdańsk of ..... 2020**

**on:** the amendment of the Company's Articles of Association

The Ordinary General Meeting of Shareholders of ENERGA Spółka Akcyjna with its registered office in Gdańsk (hereinafter also: "ENERGA S.A.", "Company"), acting pursuant to Article 430 § 1 of the Code of Commercial Companies, hereby resolves as follows:

§1

The Ordinary General Meeting of Shareholders of the Company decides to amend the Company's Articles of Association by repealing all the existing content of the Company's Articles of Association and adopting the new content of the Company's Articles of Association as follows:

**"ARTICLES OF ASSOCIATION**

**I. GENERAL PROVISIONS**

§1

1. The Company operates under the business name of: Energa Spółka Akcyjna.
2. Whenever the Articles of Association refer to the Company, it shall mean the company referred to in section 1 above.
3. The Company may use its abbreviated business name: ENERGA S.A. and its distinctive logo.

§2

The registered office of the Company shall be in Gdańsk.

§3

1. The Company shall carry on business in the territory of the Republic of Poland and abroad.
2. The Company may establish and operate branches, plants, offices, agencies and other entities, purchase, dispose of, lease and rent enterprises, real estate, movable property and property rights, purchase and dispose of units of participation in the income or property of other entities, create commercial law and civil law companies, and may also participate in other companies and ventures in the territory of the Republic of Poland and abroad. The Company may perform all legal and factual activities in the scope of its enterprise which are not prohibited by law.
3. The Company may be a member of national and international associations.

§4

The Company was established for an unlimited time.

**II. SUBJECT OF ACTIVITIES OF THE COMPANY**

§5

1. According to the Polish Classification of Activities, the Company's business activities are:
  - 1) Activities of financial holding companies (64.20.Z),
  - 2) Business of head offices; management advisory (70),
  - 3) Manufacture of electric motors, generators, transformers, switchgear and electricity control gear (27.1),
  - 4) Manufacture of insulated wires and cables and installation equipment (27.3),
  - 5) Manufacture of electric lighting equipment (27.40.Z),
  - 6) Manufacture of other electrical equipment (27.90.Z),
  - 7) Generation, transmission, distribution and trading of electricity (35.1),
  - 8) Steam, hot water and air conditioning manufacturing and supply (35.30.Z),
  - 9) Works related to construction of marine engineering structures (42.91.Z),
  - 10) Wholesale of tools for information technology and communication technology (46.5),
  - 11) Wholesale of other office machinery and equipment (46.66.Z),

- 12) Wholesale of other machinery and equipment (46.69.Z),
  - 13) Accommodation (55),
  - 14) Services related to catering (56),
  - 15) Telecommunications (61),
  - 16) Activities related to software and advice on information technology and related activities (62.0),
  - 17) Data processing; web page hosting and similar activities; activities of websites (63.1),
  - 18) Other information service activities not elsewhere classified (63.99.Z),
  - 19) Trusts, funds and similar financial entities (64.30.Z),
  - 20) Other financial services, excluding insurance and pension funding (64.9),
  - 21) Activities auxiliary to financial services, excluding insurance and pension funds (66.1),
  - 22) Real estate activities (68),
  - 23) Accounting and book-keeping activities, tax advisory (69.20.Z),
  - 24) Engineering activities and related technical consultancy (71.12.Z),
  - 25) Activities of advertising agencies (73.11.Z),
  - 26) Other professional, scientific and technical activities, not elsewhere classified (74.90.Z),
  - 27) Renting and leasing of recreational and sports equipment (77.21.Z),
  - 28) Leasing of intellectual property and similar products, except copyrighted works (77.40.Z),
  - 29) Activities of employment placement agencies (78.1 OZ),
  - 30) Other activities related to personnel supply (78.30.Z),
  - 31) Operation of fitness facilities (93.13.Z),
  - 32) Other entertainment and recreational activities (93.29.Z),
  - 33) Repair and maintenance of computers and peripheral devices (95.11.Z),
  - 34) Service activities related to improvement of physical fitness (96.04.Z),
  - 35) Publishing of books, periodicals and other publishing activities, with the exception of software (58.1).
2. The Company performs functions associated with assurance of energy security of the Republic of Poland.
  3. If a licence or a permit is required for a given type of activity, the Company shall commence operations in this area only after obtaining the relevant licence or permit.
  4. The Company is not obliged to conduct business in all areas listed in section 1 above.

### III. EQUITIES

#### §6

1. The share capital of the Company, in the amount specified in the By-Laws of the Company adopted upon incorporation (PLN 500,000) has been paid in full with cash contributions, made prior to the registration of the Company.
2. The Company was founded by:
  - 1) The Treasury, which took up 255,000 (say: two hundred fifty five thousand) registered shares with the total nominal value of PLN 255,000 (say zlotys: two hundred fifty five thousand), i.e. series A shares **nos. A00000001 to A 000255000**,
  - 2) Koncern Energetyczny ENERGA SA, which took up 160,000 (say: one hundred sixty thousand) registered shares with the total nominal value of PLN 160,000 (say zlotys: one hundred sixty thousand) i.e. series A shares **nos. A 000255001 to A 000415000**,
  - 3) Zespół Elektrowni Ostrołęka S.A., which took up 85,000 (say: eighty five thousand) registered shares with the total nominal value of PLN 85,000 (say zlotys: eighty five thousand) i.e. series A shares **nos. A 000415001 to A 000500000**.

#### §7

1. The share capital of the Company is PLN 4,521,612,884.88 (say: four billion five hundred twenty one million six hundred twelve thousand eight hundred eighty four zlotys and eighty eight groszy) and is divided to 414,067,114 (say: four hundred fourteen million sixty seven thousand one hundred and fourteen) shares with the nominal value of PLN 10.92 (say: ten zlotys ninety two groszy) each, namely:
  - 1) registered shares of series AA in the amount of 269,139,114 (two hundred sixty nine million one hundred thirty nine thousand one hundred and fourteen) nos. AA 00000001 to AA 269139114, which are ordinary shares and
  - 2) registered shares of series BB in the amount of 144,928,000 (one hundred forty four million nine hundred twenty eight thousand) nos. BB 00000001 to BB 144928000, which are preference shares in terms of voting at the General Meeting of Shareholders, where one preference share gives the right to 2 (say: two) votes at the General Meeting of Shareholders.
2. The share capital of the Company may be increased by issuing new shares or by increasing the nominal value of existing shares.

§8

1. Shares may be registered or bearer shares.
2. Registered shares to be dematerialised in accordance with provisions of the Act of 29 July 2005 on Trading in Financial Instruments, shall become bearer shares at the time of dematerialisation, subject to subparagraph 3 below.
3. Registered shares that shall undergo mandatory dematerialisation, in accordance with provisions of the Act of 30 August 2019 Amending the Act on the Code of Commercial Companies and Certain Other Acts, and which are not traded on a regulated market, shall remain registered shares with any preference rights arising from these Articles of Association.
4. Conversion of bearer shares to registered shares is not allowed.
5. Shares may be placed in the deposit of the Company or the deposit maintained by another entity on behalf of the Company.

§9

1. Shares may be redeemed only by way of a decrease in the share capital on the conditions set out by the General Meeting of Shareholders, unless pursuant to the provisions of the Code of Commercial Companies and the Company's Articles of Association, shares may be redeemed without the need for the General Meeting of Shareholders to adopt a resolution.
2. The shares may be redeemed upon the consent of a shareholder through their acquisition by the Company (voluntary redemption).
3. The resolution of the General Meeting authorising the Management Board to take actions to purchase the shares to be redeemed shall lay down the conditions for the purchase of shares by the Company.
4. Redemption of shares shall require a resolution of the General Meeting of Shareholders, subject to art. 363 § 5 of the Code of Commercial Companies.
5. The resolution on share redemption should determine in particular the legal basis for the redemption, the amount of consideration payable to the shareholder of the redeemed shares, or a statement of reasons for share redemption without a consideration, as well as the method of reducing the share capital.

**IV. BODIES OF THE COMPANY**

§10

The governing bodies of the Company are:

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

**A. MANAGEMENT BOARD OF THE COMPANY**

§11

1. The Management Board manages the affairs of the Company and represents the Company outside.
2. The work of the Management Board is headed by the President of the Management Board. The powers of the President in this field shall be determined by the By-laws of the Management Board.
3. Management Board resolutions are passed by an absolute majority of votes. Resolutions of the Management Board are valid provided that all members of the Management Board have been properly notified of the planned meeting and at least half of the members of the Management Board are present at the meeting.
4. In the event of a tie vote, the vote of the President of the Management Board is decisive.
5. The operating scope of the Management Board includes all matters not reserved by the Act or these Articles of Association to the competencies of the General Meeting of Shareholders or the Supervisory Board.
6. The Management Board may adopt resolutions in a circular procedure or by means of direct communication at a distance. The detailed procedure for adopting resolutions in this way is specified in the Management Board's By-laws.
7. The operating procedure of the Management Board and matters requiring a resolution of the Management Board, as exceeding the scope of ordinary activities of the Company, are specified in detail in the Management Board's By-laws, drawn up by the Management Board and approved by the Supervisory Board. Each amendment to the Management Board's By-laws shall take effect upon its approval by the Supervisory Board.

§12

1. The Management Board of the Company shall consist of 1 to 5 persons, including the President and optionally one or several Vice Presidents.
2. The term of office of members of the Management Board shall be a joint term and shall end on the day of the General Meeting approving the financial statements for the second full financial year of its term of office. Such a joint term of office shall commence on 31 May 2019. Notwithstanding other circumstances provided for in the Code of Commercial Companies, the mandate of a member of the Management Board shall expire upon the end of the term of office.
3. A member of the Management Board may be a person who always meets the requirements set out in the Act of 16 December 2016 on the Rules of Managing State Assets, in particular:
  - 1) has a university degree or a university degree received abroad and recognised in the Republic of Poland on the basis of the relevant provisions of law,
  - 2) has a period of service on the basis of a contract of employment, appointment, choice, or designation, cooperative contract of employment, or of provision of services on the basis of another contract or under self-employment arrangements, of at least five years,
  - 3) has at least three years' experience in a managerial or independent capacity or self-employment experience,
  - 4) meets requirements other than those specified in points 1–3 above as set forth in the relevant provisions of law, and in the first instance does not violate the restrictions or prohibitions on holding the position of a member of the management body in companies.
4. A Member of the Management Board may not be a person who satisfies, as a minimum, one of the following criteria:
  - 1) he or she is a volunteer assistant or employee in the offices of Members of Parliament, Senators, Members of Parliament and Senators, or Members of the European Parliament, under a contract of employment, or works under a fee-for-task or similar contract,
  - 2) he or she is a member of an organ of a political party which represents the political party and is authorised to incur liabilities,
  - 3) he or she is employed by a political party under a contract of employment or works under a fee-for-task or similar contract,
  - 4) he or she is an elected member of a trade union organisation or a trade union organisation of another Group company,
  - 5) his or her social or gainful activities give rise to a conflict interests in relation to the Company's business.
5. A person who meets the requirements referred to in sections 3 and 4 above may be a candidate for a member of the Management Board.

### §13

1. Management Board members are appointed and dismissed by the Supervisory Board.
2. The Supervisory Board shall appoint a member of the Management Board following a qualification procedure whose purpose is to verify and assess the qualifications of the candidates and select the best candidate for the position of a member of the Management Board.
3. The Supervisory Board shall conduct qualification proceedings in the event of circumstances which justify the appointment of a member of the Management Board.
4. The Supervisory Board, when initiating the qualification procedure for the position of a member of the Management Board, shall determine, by way of a resolution, the detailed rules and mode of such a procedure, in particular the position that is the subject of the procedure, the date and place of acceptance of applications, the date and place of the interview, the scope of issues being the subject of the interview, requirements and manner of evaluation of the candidate.
5. The principles and amount of remuneration for members of the Management Board shall be determined taking into account the provisions of the Act of 9 June 2016 on the Rules of Structuring Remunerations of Persons Managing Certain Companies.
6. One of the Management Board members shall be appointed by the Supervisory Board to the position of President of the Management Board and one or several others to the position of Vice-President of the Management Board.
7. A member of the Management Board may resign from membership in the Management Board of the Company. Subject to section 8 below, resignation shall be effective for the Company if it is submitted in writing, to at least one member of the Management Board or a proxy. A member of the Management Board should notify at least one member of the Supervisory Board of the resignation.
8. If, as a result of resignation of a Member of the Management Board, no mandate in the Management Board is taken, Art. 369 § 5<sup>1</sup> and § 5<sup>2</sup> of the Code of Commercial Companies shall apply.
9. In the event of suspension or dismissal of the President of the Management Board or expiration of the mandate of the President of the Management Board before the expiry of the term of office, until a new

President is appointed or the suspension of the existing President is cancelled, all powers of the President other than the right to the casting vote, as referred to in § 11 section 4 above, shall be exercised by a person appointed by the Supervisory Board to act as President of the Management Board.

§14

In contracts between the Company and members of the Management Board, the Company is represented by the Supervisory Board. Statements of will on behalf of the Supervisory Board are made by two of its members authorised by an appropriate resolution of the Supervisory Board.

§15

1. Two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy are authorised to make statements of will on behalf of the Company in the case of a multi-person Management Board.
2. In the case of a single-person Management Board, only a member of the Management Board is authorised to make statements of will on behalf of the Company.
3. Proxy may include authorisation only to perform actions jointly with a member of the Management Board.

**B. SUPERVISORY BOARD**

§16

1. In addition to the matters laid down in separate provisions of law and the provisions of these Articles of Association, the specific powers of the Supervisory Board include:
  - 1) assessing the Management Board's reports on the Company's and capital group's operations as well as the financial statements for the previous financial year and the consolidated financial statements of the capital group in terms of their consistency with the records, relevant documents and the actual state of affairs, and assessing the Management Board's motion on allocation of profit or coverage of loss,
  - 2) submitting to the General Meeting a written report on the outcome of the activities referred to in point 1 above,
  - 3) preparing reports in connection with the exercise of supervision over the performance of investments by the Management Board and supervision over correctness and effectiveness of investment outlays made,
  - 4) preparing, at least once per year, together with a report on the results of the assessment of the annual financial statements and the consolidated financial statements of the capital group, an opinion of the Supervisory Board on the economic viability of the Company's capital exposure to other commercial companies effected in the relevant financial year,
  - 5) preparing and presenting, once per year, to the Ordinary General Meeting a brief assessment of the Company's standing, including an evaluation of the internal control system and the system for managing risks of significant importance to the Company,
  - 6) reviewing and presenting opinions on issues forming the subject matter of the resolutions to be passed by the General Meeting,
  - 7) selection of the audit firm to examine the financial statements and the consolidated financial statements of the capital group,
  - 8) specifying the scope and deadlines for submission of annual/long-term material and financial plans, other long-term plans and strategies for the Company and its capital group by the Management Board,
  - 9) approving strategies for the Company and its capital group,
  - 10) approving annual/long-term material and financial plans and investment plans for the Company and its capital group,
  - 11) adopting the bylaws defining in detail the mode of operation of the Supervisory Board,
  - 12) approving the Management Board's Bylaws,
  - 13) approving the Organisational Bylaws for the Company's enterprise,
  - 14) approving the principles of the Company's sponsoring activity and assessing its effectiveness,
  - 15) adoption of the consolidated text of the Company's Articles of Association,
  - 16) granting the Management Board a consent for:
    - a) purchasing fixed assets within the meaning of the Accounting Act of 29 September 1994 of the value exceeding:
      - PLN 20,000,000
      - 5% of the total assets within the meaning of the Accounting Act of 29 September 1994, as determined on the basis of the most recent financial statements,

- b) disposal of fixed assets within the meaning of the Polish Accounting Act of 29 September 1994, classified as intangible assets, tangible assets or long-term investment, including as a contribution made to a company or co-operative if the market value of those assets exceeds PLN 20,000,000 or 5% of the total assets within the meaning of the Accounting Act, as determined on the basis of the most recently approved financial statements, as well as transfer of these assets for use to another entity for a period longer than 180 days in the calendar year, on the basis of a legal transaction, if the market value of the object of the legal transaction exceeds PLN 500,000 or 5% of the total assets, and transfer for use in the case of:
  - i. rental or lease contracts and other contracts on transfer of an asset for paid use to other entities – the market value of an object of a legal transaction is understood as the value of performances made:
    - over a period of one year if the asset was transferred for use on the basis of a contract concluded for an unspecified time,
    - throughout the term of the contract in the case of contracts concluded for a specified time,
  - ii. contracts of lending for use and other contracts on transfer of an asset for gratuitous use to other entities – the market value of the object of the legal transaction shall be understood as the equivalent of the value of the performances that would have been due had a contract of rental or lease been signed:
    - for a period of one year if the asset was transferred for use on the basis of a contract concluded for an unspecified time,
    - throughout the term of the contract in the case of contracts concluded for a specified time,
- c) conclusion by the Company of an agreement with an affiliated entity, the value of which exceeds 10% of the Company's equity, except for typical agreements concluded on market terms within the framework of the Company's operating activity with a subsidiary in which the Company holds a majority capital share,
- d) contracting contingent liabilities, including the granting by the Company of financial guarantees and sureties the value of which exceeds PLN 10,000,000, except for contingent liabilities pertaining to subsidiaries,
- e) issue of bills of exchange with a value exceeding PLN 10,000,000,
- f) conclusion of a donation contract or another contract with a similar effect, the value of which exceeds the equivalent of PLN 20,000 or 0.1% of the total assets within the meaning of the Accounting Act of 29 September 1994, as determined on the basis of the most recently approved financial statements,
- g) disbursement of interim dividends,
- h) subscription for or acquisition of stocks or shares in other companies with a value exceeding:
  - PLN 20,000,000 or,
  - 10% of the total assets within the meaning of the Accounting Act of 29 September 1994, as determined on the basis of the most recent financial statements,
- i) selling stocks or shares in other companies with a value exceeding:
  - PLN 20,000,000 or,
  - 10% of the total assets within the meaning of the Accounting Act of 29 September 1994, as determined on the basis of the most recent financial statements,
- j) investment projects concerning or related to a generation unit and a cogeneration unit with a value exceeding EUR 50,000,000 or a distribution network with a value exceeding EUR 5,000,000 - within the meaning of the Energy Law – implemented or co-financed or secured by the Company or on the Company's assets,
- k) conclusion of a contract for legal services, marketing services, public relations and social communication services, as well as management consulting services, if the amount of remuneration provided for services rendered jointly in this contract or other contracts concluded with the same entity exceeds PLN 500,000 net, on an annual basis,
- l) amendment to a contract for legal services, marketing services, public relations and social communication services and management-related consulting services raising the remuneration beyond the amount referred to in letter k,
- m) signing a contract for legal services, marketing services, public relations and social communication services and management-related consulting services where no maximum amount of the remuneration is specified,
- n) release from debt or another contract with a similar effect, the value of which exceeds the equivalent of PLN 50,000 or 0.1% of the total assets within the meaning of the Accounting Act of

29 September 1994, as determined on the basis of the most recently approved financial statements.

- 17) determining the individual conditions for the provision of services by members of the Management Board, as part of the resolution of the General Meeting of Shareholders as referred to in § 27 section 1 clause 8) below,
  - 18) determining the Rules of the Bonus System for members of the Management Board,
  - 19) suspending, for major reasons, individual or all members of the Management Board, as well as delegating members of the Supervisory Board, for a period not exceeding three months, to perform temporarily the duties of Management Board members who are at the time unable to perform their duties and setting their remuneration, provided that the total remuneration received by the delegated person for his or her performance of the function of a Supervisory Board member and his or her temporary performance of the duties of a Management Board member does not exceed the salary set in respect of the Management Board member being filled in for by the delegated member of the Supervisory Board,
  - 20) granting consent for the establishment of the Company's branches abroad,
  - 21) authorising Management Board members to assume positions in corporate bodies of other companies and collecting resulting remuneration,
  - 22) determining the voting instructions for the Company to the general meetings of companies involved in generation, transmission or distribution of electricity in the following matters:
    - a) the incurring of contingent liabilities by such companies,
    - b) the contracting of loan agreements,
    - c) the establishment of collateral by such companies, including the establishment of security on their assets,
    - d) the contracting of other agreements or the adoption of general meeting resolutions pertaining or related to generation units, cogeneration units with a value in excess of EUR 50,000,000 or a distribution grid within the meaning of the Energy Law with a value in excess of EUR 5,000,000,
  - 23) specifying the Company's voting instructions for the general meetings of companies in which the Company holds shares with a total par value in excess of PLN 20,000,000 and which at the same time represent more than 50% of the share capital of such companies or the Company's subsidiaries within the meaning of the provisions of the Code of Commercial Companies, in the following matters:
    - a) contracting of a liability, the establishment of a limited right in rem or the disposal of a right, including in particular the purchase or sale of a real property, a right of perpetual usufruct or an interest in a real property or in a right of perpetual usufruct with a value in excess of PLN 10,000,000,
    - b) granting by the company of financial guarantees and sureties the value of which exceeds PLN 10,000,000,
    - c) the amendment of the company's articles of association or articles of partnership,
    - d) the increase or lowering of the share capital,
    - e) the merger, split-up or transformation of the company,
    - f) the establishment by such company of another company or the subscription for, purchase or sale by such company of shares or interests in another company,
    - g) the sale or lease of the Company's enterprise or an organised part thereof or the establishment of a limited right in rem thereon if their value is in excess of PLN 40,000,000,
    - h) the issuance of bonds,
    - i) the dissolution and liquidation of the company,
    - j) pertaining to generation units, cogeneration units with a value in excess of EUR 50,000,000 or distribution grids within the meaning of the Energy Law with a value in excess of EUR of 5,000,000,
  - 24) granting the consent to conclude a material transaction with an entity related to the Company within the meaning of the Act of 29 July 2005 on Public Offering and on the Terms of Introducing Financial Instruments into Organised Trading and on Public Companies,
  - 25) developing a procedure for periodic assessment whether material transactions with a related party of the Company are concluded on an arm's length basis as part of the ordinary business of the Company or a subsidiary of the Company.
2. The Company's Management Board shall:
- 1) provide the Supervisory Board with quarterly information on the investment projects referred to in section 1 clause 16 (j) above, regardless of the progress of the project,
  - 2) provide the Supervisory Board with information on the course of and decisions taken at the general meeting in the matters referred to in section 1 clause 21 and item 22 (j) above,
  - 3) provide the Supervisory Board, within two months of the adjournment of the general meeting of

companies in which the Company holds shares approving the financial statements and the activity reports or the consolidated financial statements of capital groups and the activity reports of capital groups, with annual information on the execution of investment projects pertaining or related to a generation unit or a cogeneration unit with a value in excess of EUR 50,000,000 or a distribution grid with a value in excess of EUR 5,000,000,

- 4) submit to the Supervisory Board, together with the Management Board's report on the Company's activities for the previous financial year, reports on:
  - a) representation expenses, expenditure on legal services, marketing services, public relations and communication services and management consulting services,
  - b) the application of *good practices referred to in Art. 7 (3) of the Act of 16 December 2016 on the Rules of Managing State Assets, if they apply to the Company*
- 5) at least once a year prepare a report on supervision over the implementation of investment projects and submit it to the Supervisory Board for approval,
- 6) in companies where the Company is a dominant entrepreneur within the meaning of Article 4(3) of the Act of 16 February 2007 on Competition and Consumer Protection, in conjunction with Article 17(7), Article 18(2), Article 20 and Article 23, taking into account Articles 18a and 23a of the Act on the Rules of Managing State Assets, introduce the rules enumerated in the Act on Rules of Managing State Assets.

#### §17

1. The Supervisory Board consists of 5 to 9 members.
2. Members of the Supervisory Board shall be appointed and dismissed by the General Meeting of Shareholders, subject to section 3 below. The number of members of the Supervisory Board shall be set by the General Meeting.
3. PKN ORLEN S.A. shall have the personal right to appoint and dismiss members of the Supervisory Board, as follows:
  - 1) if the General Meeting of Shareholders determines that the Supervisory Board is composed of an even number of members of the Supervisory Board – PKN ORLEN S.A. shall appoint such a number of members of the Supervisory Board which results from (a) dividing an even number of members of the Supervisory Board by two and then (b) increasing such a quotient by one so that PKN ORLEN S.A. has the absolute number of votes in the Supervisory Board;
  - 2) if the General Meeting of Shareholders determines that the Supervisory Board is composed of an odd number of members of the Supervisory Board – PKN ORLEN S.A. shall appoint such a number of members of the Supervisory Board which results from (a) dividing an odd number of members of the Supervisory Board by two and then (b) rounding off a quotient so calculated upwards to the closest integer so that PKN ORLEN S.A. has the absolute number of votes in the Supervisory Board;
  - 3) appointing and dismissing of members of the Supervisory Board shall take place by means of a written statement of PKN ORLEN S.A. filed to the Management Board of the Company. The statement shall be deemed filed upon its delivery.
4. The term of office of members of the Supervisory Board shall be a joint term and shall end on the day on which the General Meeting approves the financial statements for the second full financial year of its term of office. The beginning of the joint term of office so defined shall be the day following the day on which the General Meeting of Shareholders the Company approves the financial statements for 2019. Notwithstanding other circumstances provided for in the Code of Commercial Companies, the mandate of a member of the Supervisory Board shall expire upon the end of the term of office.
5. PKN ORLEN S.A. shall name, as a candidate for the position of a member of the Supervisory Board or appoint to the Supervisory Board a person who has been positively reviewed by the Council for Companies with State Treasury Shareholding and State Legal Persons as referred to in provisions of the Act of 16 December 2016 on the Rules of Managing State Assets.
6. Members of the Supervisory Board referred to in section 5 above should each time meet the requirements set out in the Act of 16 December 2016 on the Rules of Managing State Assets, in particular:
  - 1) have a university degree or a university degree received abroad and recognised in the Republic of Poland on the basis of the relevant provisions of law, and have a service period on the basis of a contract of employment, appointment, choice, or designation, cooperative contract of employment, or a period of provision of services on the basis of another contract or under self-employment arrangements, of at least five years, and meet at least one of the following requirements:
    - a) hold the degree of DEcon, LL.D. or DSc in technical sciences,
    - b) have the professional title of legal adviser, advocate, registered auditor, tax adviser, investment adviser, or restructuring adviser,
    - c) have the title of Master of Business Administration (MBA),



- d) hold the Chartered Financial Analyst (CFA) credential,
  - e) hold a Certified International Investment Analyst (CIIA) certificate,
  - f) hold an Association of Chartered Certified Accountants (ACCA) certificate,
  - g) hold the Certified in Financial Forensics (CFF) credential,
  - h) have a confirmation that he or she has passed the examination before a committee appointed by the Minister of Ownership Transformations, the Minister of Industry and Trade, the Minister of the Treasury or a Selection Committee appointed pursuant to Article 15(2) of the Act of 30 April 1993 on National Investment Funds and their Privatisation,
  - i) have a confirmation that he or she has passed the examination before a committee appointed by the Minister of the Treasury pursuant to Article 12(2) of the Act of 30 April 1996 on Commercialisation and Privatisation,
  - j) have a confirmation of successfully passed examination for candidates for members of supervisory organs before an examination committee appointed by the Prime Minister;
  - k) pass the examination for candidates for members of supervisory bodies before an examination committee appointed by the minister competent for state assets;
  - l) have knowledge or professional experience in the field of business management, supervision over the activities of management bodies of entrepreneurs, business consultancy or the specific nature of operations of the market of companies recognised in accordance with the secondary legislation issued pursuant to Art. 31 (2) of the Act of 16 December 2016 on the Rules of Managing State Assets as the companies of significant importance to the state economy;
- 2) not be in an employment relationship with the Company or provide work or services thereto under any other legal relationship;
  - 3) not hold shares, within the meaning of the Act of 16 December 2016 on the Rules of Managing State Assets, in a subsidiary, except for shares admitted to trading on a regulated market within the meaning assigned by the Act on Trading in Financial Instruments of 29 July 2005;
  - 4) not be in an employment relationship with the company referred to in point 3) above or provide work or services thereto under any other legal relationship;
  - 5) not to perform any activities that would be in conflict with his or her duties as a member of the Supervisory Board or which could give rise to any suspicion of partiality or interest or a conflict of interests in relation to the Company's business;
  - 6) meet requirements for a member of the Supervisory Board other than those specified in points 1 to 5 above, as specified in the relevant provisions of law.
7. The limitations referred to in paragraph 6 section 4 above shall not apply to the membership in the supervisory bodies.
  8. PKN ORLEN S.A. may not name as a candidate for the position of a member of the Supervisory Board or appoint as a member of the Supervisory Board any person who meets at least one of the following conditions:
    - 1) he or she is a volunteer assistant or employee in the offices of Members of Parliament, Senators, Members of Parliament and Senators, or Members of the European Parliament, under a contract of employment, or works under a fee-for-task or similar contract;
    - 2) he or she is a member of an organ of a political party which represents the political party and is authorised to incur liabilities;
    - 3) he or she is employed by a political party under a contract of employment or works under a fee-for-task or similar contract;
  9. PKN ORLEN S.A. shall immediately take actions to dismiss a member of the Supervisory Board referred to in section 5 above who does not meet the requirements set out in this article.
  10. In the period in which the Company is a public company with at least one share admitted to trading in the regulated market, the majority of members of the Audit Committee appointed by the Supervisory Board out of members of the Supervisory Board and established by the General Meeting of Shareholders should meet the independence criteria provided for an independent member of the Supervisory Board, as defined in § 24 section 2 clause 3 below.
  11. A member of the Supervisory Board may resign from their function in the Company. A resignation shall be effective if it is made in writing to the Company, to the hands of at least one member of the Management Board or a proxy. A copy of the resignation must be forwarded to the Chairman of the Supervisory Board for reference.

#### §18

1. PKN ORLEN S.A. shall have the personal right to appoint, out of members of the Supervisory Board appointed in accordance with § 17 section 3 above, a member of the Supervisory Board who shall act as the Chairman of the Supervisory Board. This right also applies if the Supervisory Board is elected by voting

in separate groups in accordance with Article 385 of the Code of Commercial Companies. The Chairman of the Supervisory Board shall be appointed by way of a written statement filed with the Management Board. The statement shall be deemed filed upon its delivery.

2. The Supervisory Board shall appoint and dismiss the Vice-Chairman and the Secretary of the Supervisory Board. Appointment of the Vice-Chairman and Secretary of the Supervisory Board should take place at the first meeting of the Supervisory Board of the new term of office.
3. Meetings of the Supervisory Board shall be conducted by the Chairman, or in his absence, the Vice-Chairman.
4. Statements addressed to the Supervisory Board shall be submitted to the Chairman of the Supervisory Board, and when it is impossible or very difficult, to the Vice-Chairman or the Secretary.

#### §19

1. The Supervisory Board maintains regular supervision over activities of the Company in all fields of its operations.
2. The Supervisory Board shall meet at least once every 2 months.
3. Meetings of the Supervisory Board shall be convened by the Chairman of the Supervisory Board or another authorised member of the Supervisory Board, presenting a detailed agenda.
4. A meeting of the Supervisory Board should be convened at the request of any member of the Supervisory Board or at the request of the Management Board.
5. A meeting of the Supervisory Board may be also attended by using means of direct remote communications.

#### §20

1. In order to convene a meeting of the Supervisory Board, it is required to invite all members of the Supervisory Board at least 7 days before the meeting. For important reasons, the Chairman of the Supervisory Board may shorten this period to two days, while ensuring that members of the Supervisory Board are timely informed of the accelerated date of the meeting with the appropriate means of communication.
2. In the invitation to the meeting of the Supervisory Board, the Chairman shall specify the date, venue and agenda of the meeting.

#### §21

1. The Supervisory Board may adopt resolutions if at least one half of its members are present and if all the Supervisory Board members have been invited to the meeting.
2. Resolutions of the Supervisory Board are passed by the absolute majority of votes. In the event of a tie vote, the vote cast by the Chairperson of the Supervisory Board shall prevail.
3. The Supervisory Board adopts resolutions in an open ballot.
4. The Supervisory Board may adopt resolutions by following a written procedure or via remote means of direct communication, including via e-mail, video-conference or teleconference. A resolution is valid if all members of the Supervisory Board have been notified of the wording of the draft resolution.
5. Resolutions adopted pursuant to the procedure set forth in section 4 above shall be presented at the next Supervisory Board meeting together with the outcome of the vote.

#### §22

1. The Members of the Supervisory Board shall carry out their duties in person.
2. Participation in meetings is the duty of a Member of the Supervisory Board. Excusing the absence of a Member of the Supervisory Board shall require a resolution of the Supervisory Board.
3. Members of the Supervisory Board shall be entitled to a monthly remuneration in the amount determined by the General Meeting of Shareholders.
4. The Company covers the expenses incurred in connection with the performance of functions by the members of the Supervisory Board, in particular the cost of travel to attend Supervisory Board meetings, costs of accommodation and meals.
5. A member of the Supervisory Board shall disclose their relation to any shareholder holding shares representing at least 5% of votes at the general meeting to the Management Board of the Company. The above obligation shall apply to business, family and other relationships capable of affecting the standpoint of such member of Supervisory Board on any matter settled by the Supervisory Board.
6. The Company, pursuant to a resolution adopted by the General Meeting of Shareholders, may insure Members of the Supervisory Board from civil liability.

#### §23

1. During the period when the Company's shares are traded on a regulated market of Giełda Papierów

Wartościowych w Warszawie S.A. [the Warsaw Stock Exchange], the Supervisory Board shall elect an Audit Committee from among its members.

2. Subject to § 24 section 2 below, the Supervisory Board may appoint standing or ad hoc committees.

#### §24

1. A member of the Supervisory Board may not perform activities that would remain in conflict with their duties or could result in a suspicion of bias or self-interest.
2. In the period in which the Company is a public company with at least one share admitted to trading in the regulated market:
  - 1) at least three-member Audit Committee appointed by the Supervisory Board out of its members shall operate in the Company;
  - 2) at least one member of the Audit Committee should have knowledge and skills in the field of accounting or auditing of financial statements (Criterion of Knowledge of Reporting);
  - 3) the majority of members of the Audit Committee, including its chairman, must meet the requirement of independence (Criterion of Independence) provided for by the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Act on Auditors);
  - 4) members of the Audit Committee should have skills and knowledge in the industry in which the Company operates; this condition is considered to be fulfilled if at least one member of the Audit Committee has skills and knowledge of the industry or if individual members, to specific extent, have skills and knowledge of the industry (Criterion of Industry Knowledge).
3. A candidate for a member of the Supervisory Board intending to perform a function within the Audit Committee shall submit to the Company, before their appointment to the Supervisory Board, a written declaration of fulfilment of: The Criterion of Knowledge of Reporting, Criterion of Independence or Criterion of Industry Knowledge. In the event of circumstances resulting in failure to meet any of the declared criteria, in particular the Criterion of Independence, the member of the Supervisory Board shall immediately notify the Company of that fact. The Company shall publicly publish information on the current number of independent members of the Supervisory Board.
4. Subject to § 17 section 3 above, if the Company fails to meet any of the requirements regarding members of the Audit Committee referred to in the Act on Auditors, the Management Board of the Company shall immediately convene the General Meeting of Shareholders and put in its agenda an item concerning replenishment or changes to the composition of the Supervisory Board. Until changes in the composition of the Supervisory Board are made to adjust the number of members of the Audit Committee to the requirements of the Act on Auditors, the Supervisory Board and its members shall act in the existing composition and retain the ability to hold meetings and pass resolutions, as well as perform any other legal and factual activities.

### C. GENERAL MEETING OF SHAREHOLDERS

#### §25

1. General Meetings of Shareholders shall be held at the registered office of the Company or in Warsaw.
2. The General Meeting shall be ordinary or extraordinary.
3. The General Meeting of Shareholders shall be convened by the Management Board of the Company:
  - 1) on its own initiative,
  - 2) at the written request of the Supervisory Board,
  - 3) at the written request of a shareholder or shareholders representing at least one-twentieth of the share capital.
4. In the case referred to in art. 369 § 5<sup>2</sup> of the Code of Commercial Companies, a member of the Management Board shall convene a General Meeting of Shareholders.

#### §26

1. Shareholders may participate in the General Meeting and exercise their voting rights in person or by proxy.
2. The proceedings of the General Meeting shall be transmitted in real time and the audio or video recording of the proceedings shall be posted on the Company's website upon the end of the proceedings.
3. The General Meeting is entitled to adopt the Bylaws of the General Meeting setting forth the detailed rules for the operation of this corporate body.

#### §27

1. The following matters, beyond the matters specified in separate provisions of law and these Articles of Association, require the adoption of a resolution by the General Meeting:
  - 1) the Company's execution of a loan, advance or surety agreement or another similar agreement with a

- member of the Management Board, a member of the Supervisory Board, a commercial proxy or a liquidator or in favour of any such person,
- 2) the Company's acquisition of its treasury stock in the situation referred to in Article 362 § 1 Item 2 of the Code of Commercial Companies,
  - 3) the establishment, use or dissolution of the capital accounts or funds referred to in § 31 section 1 item 5 and section 2, created by way of a General Meeting resolution below,
  - 4) shifting of the dividend record date, indication of the dividend payable date or splitting of the dividend payment into instalments,
  - 5) all decisions concerning claims for damage caused in the course of the formation of the Company or the exercise of management or supervision,
  - 6) disposal or lease of the enterprise or a branch of activities and creation of limited property rights thereon,
  - 7) making decisions on awarding remuneration to members of the Supervisory Board and, if granted, determining its amount and rules of remuneration,
  - 8) definition of the rules for determining the remuneration of members of the Management Board,
  - 9) issue of convertible bonds or bonds with the right of priority and issue of subscription warrants referred to in art. 453 § 2 of the Code of Commercial Companies,
  - 10) increase or decrease of the share capital,
  - 11) adopting a policy specifying the principles of remuneration for members of the Management Board and Supervisory Board of the Company.
2. Save as otherwise provided in these Articles of Association or legislation, the purchase or sale of real property, perpetual usufruct or an interest in real property shall not require a resolution of the General Meeting of Shareholders.
  3. In the matters referred to in section 1, the Management Board should present to the General Meeting a written explanation of its position together with a written opinion of the Supervisory Board on each of such matters.

#### §28

1. Resolutions of the General Meeting of Shareholders concerning:
  - 1) the introduction of different types of shares, establishment of new types of shares,
  - 2) changes to share preferences,
  - 3) merger of the Company by formation of a new company or by acquisition by another company,
  - 4) a division of the Company, with the exception of division by separation,
  - 5) dissolution of the company, moving the registered office or principal establishment of the Company abroad,
  - 6) transformation of the Company,
  - 7) any decrease in the share capital by redemption of a portion of shares, unless made in parallel with an increase in share capital – require a four-fifths majority of votes cast.
2. A resolution concerning a significant change to the Company's line of business can be passed without the redemption of shares from the shareholders who oppose the change

### V. ECONOMY OF THE COMPANY

#### §29

The calendar year shall be the accounting year of the Company.

#### §30

The Company's accounts shall be kept in accordance with the International Accounting Standards and applicable law.

#### §31

1. The Company shall set up the following equities and funds:
  - 1) share capital,
  - 2) share premium,
  - 3) revaluation reserve,
  - 4) reserves,
  - 5) other funds created by means of a resolution of the General Meeting of Shareholders.
2. The Company may set up and dissolve other equities, by means of a resolution of the General Meeting of Shareholders, to cover specific losses or expenses, at the beginning and during the financial year.

§32

1. The General Meeting of Shareholders may allocate profits to pay dividends, equities and funds of the Company and for other purposes, under the principles defined by the General Meeting of Shareholders.
2. The Management Board of the Company shall be authorised to pass a resolution on making an advance payment to the shareholders against the dividend expected to be paid out at the end of the financial year provided that the Company has sufficient funds to make such a payment. The advance payment shall require the consent of the Supervisory Board.

§33

The Company may issue bonds including convertible bonds and bonds with right of priority.

**VI. PRINCIPLES OF SALE OF FIXED ASSETS**

§34

1. Subject to section 2 below, the sale by the Company of fixed assets within the meaning of the Accounting Act of 29 September 1994 shall take place under a tendering procedure or an auction in the event of assets with a value exceeding 0.1% of the total assets, as determined on the basis of the most recently approved financial statements, unless the market value of the asset put up for sale does not exceed the equivalent of PLN 20,000 (say: twenty thousand zlotys).
2. The Company may sell fixed assets without holding a tendering procedure or an auction if:
  - 1) the object of the contract are shares/interests or other financial fixed assets or licenses, patents or other industrial property rights or know-how, provided the terms and conditions of the sale process other than a public tendering procedure or an auction have been defined in a resolution of the Supervisory Board,
  - 2) the sale takes place in the winding-up proceedings on the terms and conditions defined in a resolution of the General Meeting, under separate legal regulations,
  - 3) the object of the sale are residential units constituting the company's property and the sale takes place in return for a price not lower than 50% of their market value to the tenant or the tenant's relative living with the tenant on a permanent basis within the meaning of Article 4.13 of the Act on Real Estate Management of 21 August 1997; the price shall be specified taking into account the fact that occupied units constitute the object of the sale; the values of improvements made by the tenant shall be counted towards the price of the unit,
  - 4) in other justified cases – on the motion from the Management Board, in return for the price or on the terms and conditions specified by way of a resolution of the Supervisory Board,
  - 5) the sale is made to the subsidiaries and companies of the ORLEN Group,
  - 6) the object of the sale are carbon dioxide emission allowances and their equivalents,
  - 7) the rules of sale of fixed assets of a particular type are defined separately in mandatory provisions of law,
3. The following mode of disposal of fixed assets is hereby adopted:
  - 1) the announcement of the tender or auction shall be published on the website of the Company, in a visible and publicly accessible place at the Company's registered office and in other places customary for placing announcements.
  - 2) The auction or tender may take place no earlier than 14 days after the announcement of the auction or tender.
  - 3) The following may not participate in the auction or tender as bidders:
    - a) Members of the Management Board and Supervisory Board of the Company,
    - b) the business entity conducting the tender or auction and Members of its Management Board and Supervisory Board,
    - c) persons entrusted with the performance of activities related to the conduct of the auction or tender,
    - d) the spouse, children, parents and siblings of the persons referred to in letters a) - c),
    - e) persons who remain in a legal or actual relationship with the auctioneer that may raise reasonable doubt as to the impartiality of the auctioneer.
  - 4) entering a tender or auction shall be contingent upon providing a tender bond of at least 5% of the starting price of the fixed asset put on sale. The Terms and Conditions referred to in clause 7 below may provide for a higher amount of the bond.
  - 5) before commencing a tender or auction, the Company shall determine the starting price, which may not be lower than the market value determined by experts; if such value cannot be determined, such price may not be lower than the net book value.
  - 6) The Company may waive the valuation of a fixed asset by an appraiser if:
    - a) the costs of its valuation obviously exceeds its market value

- b) the fixed asset has a set market price.
- 7) the terms and conditions setting forth the rules and mode of the tender or auction, the content of the announcement, the form and conditions of the tender or auction shall be adopted by the Company.
- 8) the tender or auction organiser shall have the right to close the tender without selecting any bid, without giving reasons.
- 9) the winner of the tender or auction shall be the bidder who offered the highest price.

**VII. MISCELLANEOUS**

§35

- 1. Whenever these By-Laws refer to the amount expressed in zlotys, this shall mean the net amount.
- 2. If the Company is to perform an operation expressed in a currency other than zloty, then in order to determine whether performance of such an operation requires corporate approvals, the equivalent of such an amount in zlotys shall be used at the average exchange rate of that currency to the Polish currency as announced by the National Bank of Poland on the day preceding the date of request for the consent to perform such an operation or on the day on which the Management Board determines that the operation does not require corporate approvals given its value.”

§2

The Resolution comes into effect upon its adoption.

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**Resolution No. ...  
of the Ordinary General Meeting of a company trading under the business name of ENERGA Spółka  
Akcyjna with its registered office in Gdańsk of ..... 2020**

**on:** adoption of the consolidated text of the Company's Articles of Association

The Ordinary General Meeting of Shareholders of ENERGA Spółka Akcyjna with its registered office in Gdańsk (hereinafter also: "ENERGA S.A.", "Company"), acting pursuant to Article 430 § 1 of the Code of Commercial Companies, hereby resolves as follows:

§1

The Ordinary General Meeting of Shareholders of the Company decides to adopt consolidated text of the Articles of Association of ENERGA S.A. to read as follows:

**"ARTICLES OF ASSOCIATION**

**I. GENERAL PROVISIONS**

§1

1. The Company operates under the business name of: Energa Spółka Akcyjna.
2. Whenever the Articles of Association refer to the Company, it shall mean the company referred to in section 1 above.
3. The Company may use its abbreviated business name: ENERGA S.A. and its distinctive logo.

§2

The registered office of the Company shall be in Gdańsk.

§3

1. The Company shall carry on business in the territory of the Republic of Poland and abroad.
2. The Company may establish and operate branches, plants, offices, agencies and other entities, purchase, dispose of, lease and rent enterprises, real estate, movable property and property rights, purchase and dispose of units of participation in the income or property of other entities, create commercial law and civil law companies, and may also participate in other companies and ventures in the territory of the Republic of Poland and abroad. The Company may perform all legal and factual activities in the scope of its enterprise which are not prohibited by law.
3. The Company may be a member of national and international associations.

§4

The Company was established for an unlimited time.

**II. BUSINESS ACTIVITIES OF THE COMPANY**

§5

1. According to the Polish Classification of Activities, the Company's business activities are:
  - 1) Activities of financial holding companies (64.20.Z),
  - 2) Business of head offices; management advisory (70),
  - 3) Manufacture of electric motors, generators, transformers, switchgear and electricity control gear (27.1),
  - 4) Manufacture of insulated wires and cables and installation equipment (27.3),
  - 5) Manufacture of electric lighting equipment (27.40.Z),
  - 6) Manufacture of other electrical equipment (27.90.Z),
  - 7) Generation, transmission, distribution and trading of electricity (35.1),
  - 8) Steam, hot water and air conditioning manufacturing and supply (35.30.Z),
  - 9) Works related to construction of marine engineering structures (42.91.Z),
  - 10) Wholesale of tools for information technology and communication technology (46.5),
  - 11) Wholesale of other office machinery and equipment (46.66.Z),
  - 12) Wholesale of other machinery and equipment (46.69.Z),

- 13) Accommodation (55),
  - 14) Services related to catering (56),
  - 15) Telecommunications (61),
  - 16) Activities related to software and advice on information technology and related activities (62.0),
  - 17) Data processing; web page hosting and similar activities; activities of websites (63.1),
  - 18) Other information service activities not elsewhere classified (63.99.Z),
  - 19) Trusts, funds and similar financial entities (64.30.Z),
  - 20) Other financial services, excluding insurance and pension funding (64.9),
  - 21) Activities auxiliary to financial services, excluding insurance and pension funds (66.1),
  - 22) Real estate activities (68),
  - 23) Accounting and book-keeping activities, tax advisory (69.20.Z),
  - 24) Engineering activities and related technical consultancy (71.12.Z),
  - 25) Activities of advertising agencies (73.11.Z),
  - 26) Other professional, scientific and technical activities, not elsewhere classified (74.90.Z),
  - 27) Renting and leasing of recreational and sports equipment (77.21.Z),
  - 28) Leasing of intellectual property and similar products, except copyrighted works (77.40.Z),
  - 29) Activities of employment placement agencies (78.1 OZ),
  - 30) Other activities related to personnel supply (78.30.Z),
  - 31) Operation of fitness facilities (93.13.Z),
  - 32) Other entertainment and recreational activities (93.29.Z),
  - 33) Repair and maintenance of computers and peripheral devices (95.11.Z),
  - 34) Service activities related to improvement of physical fitness (96.04.Z),
  - 35) Publishing of books, periodicals and other publishing activities, with the exception of software (58.1).
2. The Company performs functions associated with assurance of energy security of the Republic of Poland.
  3. If a licence or a permit is required for a given type of activity, the Company shall commence operations in this area only after obtaining the relevant licence or permit.
  4. The Company is not obliged to conduct business in all areas listed in section 1 above.

### III. EQUITIES

#### §6

1. The share capital of the Company, in the amount specified in the By-Laws of the Company adopted upon incorporation (PLN 500,000) has been paid in full with cash contributions, made prior to the registration of the Company.
2. The Company was founded by:
  - 1) The Treasury, which took up 255,000 (say: two hundred fifty five thousand) registered shares with the total nominal value of PLN 255,000 (say zlotys: two hundred fifty five thousand), i.e. series A shares **nos. A00000001 to A 000255000**,
  - 2) Koncern Energetyczny ENERGA SA, which took up 160,000 (say: one hundred sixty thousand) registered shares with the total nominal value of PLN 160,000 (say zlotys: one hundred sixty thousand) i.e. series A shares **nos. A 000255001 to A 000415000**,
  - 3) Zespół Elektrowni Ostrołęka S.A., which took up 85,000 (say: eighty five thousand) registered shares with the total nominal value of PLN 85,000 (say zlotys: eighty five thousand) i.e. series A shares **nos. A 000415001 to A 000500000**.

#### §7

1. The share capital of the Company is PLN 4,521,612,884.88 (say: four billion five hundred twenty one million six hundred twelve thousand eight hundred eighty four zlotys and eighty eight groszy) and is divided to 414,067,114 (say: four hundred fourteen million sixty seven thousand one hundred and fourteen) shares with the nominal value of PLN 10.92 (say: ten zlotys ninety two groszy) each, namely:
  - 1) registered shares of series AA in the amount of 269,139,114 (two hundred sixty nine million one hundred thirty nine thousand one hundred and fourteen) nos. AA 00000001 to AA 269139114, which are ordinary shares and
  - 2) registered shares of series BB in the amount of 144,928,000 (one hundred forty four million nine hundred twenty eight thousand) nos. BB 00000001 to BB 144928000, which are preference shares in terms of voting at the General Meeting of Shareholders, where one preference share gives the right to 2 (say: two) votes at the General Meeting of Shareholders.
2. The share capital of the Company may be increased by issuing new shares or by increasing the nominal value of existing shares.



§8

1. Shares may be registered or bearer shares.
2. Registered shares to be dematerialised in accordance with provisions of the Act of 29 July 2005 on Trading in Financial Instruments, shall become bearer shares at the time of dematerialisation, subject to subparagraph 3 below.
3. Registered shares that shall undergo mandatory dematerialisation, in accordance with provisions of the Act of 30 August 2019 Amending the Act on the Code of Commercial Companies and Certain Other Acts, and which are not traded on a regulated market, shall remain registered shares with any preference rights arising from these Articles of Association.
4. Conversion of bearer shares to registered shares is not allowed.
5. Shares may be placed in the deposit of the Company or the deposit maintained by another entity on behalf of the Company.

§9

1. Shares may be redeemed only by way of a decrease in the share capital on the conditions set out by the General Meeting of Shareholders, unless pursuant to the provisions of the Code of Commercial Companies and the Company's Articles of Association, shares may be redeemed without the need for the General Meeting of Shareholders to adopt a resolution.
2. The shares may be redeemed upon the consent of a shareholder through their acquisition by the Company (voluntary redemption).
3. The resolution of the General Meeting authorising the Management Board to take actions to purchase the shares to be redeemed shall lay down the conditions for the purchase of shares by the Company.
4. Redemption of shares shall require a resolution of the General Meeting of Shareholders, subject to art. 363 § 5 of the Code of Commercial Companies.
5. The resolution on share redemption should determine in particular the legal basis for the redemption, the amount of consideration payable to the shareholder of the redeemed shares, or a statement of reasons for share redemption without a consideration, as well as the method of reducing the share capital.

**IV. BODIES OF THE COMPANY**

§10

The governing bodies of the Company are:

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

**A. MANAGEMENT BOARD OF THE COMPANY**

§11

1. The Management Board manages the affairs of the Company and represents the Company outside.
2. The work of the Management Board is headed by the President of the Management Board. The powers of the President in this field shall be determined by the By-laws of the Management Board.
3. Management Board resolutions are passed by an absolute majority of votes. Resolutions of the Management Board are valid provided that all members of the Management Board have been properly notified of the planned meeting and at least half of the members of the Management Board are present at the meeting.
4. In the event of a tie vote, the vote of the President of the Management Board is decisive.
5. The operating scope of the Management Board includes all matters not reserved by the Act or these Articles of Association to the competencies of the General Meeting of Shareholders or the Supervisory Board.
6. The Management Board may adopt resolutions in a circular procedure or by means of direct communication at a distance. The detailed procedure for adopting resolutions in this way is specified in the Management Board's By-laws.
7. The operating procedure of the Management Board and matters requiring a resolution of the Management Board, as exceeding the scope of ordinary activities of the Company, are specified in detail in the Management Board's By-laws, drawn up by the Management Board and approved by the Supervisory Board. Each amendment to the Management Board's By-laws shall take effect upon its approval by the Supervisory Board.

§12

1. The Management Board of the Company shall consist of 1 to 5 persons, including the President and optionally one or several Vice Presidents.
2. The term of office of members of the Management Board shall be a joint term and shall end on the day of the General Meeting approving the financial statements for the second full financial year of its term of office. Such a joint term of office shall commence on 31 May 2019. Notwithstanding other circumstances provided for in the Code of Commercial Companies, the mandate of a member of the Management Board shall expire upon the end of the term of office.
3. A member of the Management Board may be a person who always meets the requirements set out in the Act of 16 December 2016 on the Rules of Managing State Assets, in particular:
  - 1) has a university degree or a university degree received abroad and recognised in the Republic of Poland on the basis of the relevant provisions of law,
  - 2) has a period of service on the basis of a contract of employment, appointment, choice, or designation, cooperative contract of employment, or of provision of services on the basis of another contract or under self-employment arrangements, of at least five years,
  - 3) has at least three years' experience in a managerial or independent capacity or self-employment experience,
  - 4) meets requirements other than those specified in points 1–3 above as set forth in the relevant provisions of law, and in the first instance does not violate the restrictions or prohibitions on holding the position of a member of the management body in companies.
4. A Member of the Management Board may not be a person who satisfies, as a minimum, one of the following criteria:
  - 1) he or she is a volunteer assistant or employee in the offices of Members of Parliament, Senators, Members of Parliament and Senators, or Members of the European Parliament, under a contract of employment, or works under a fee-for-task or similar contract,
  - 2) he or she is a member of an organ of a political party which represents the political party and is authorised to incur liabilities,
  - 3) he or she is employed by a political party under a contract of employment or works under a fee-for-task or similar contract,
  - 4) he or she is an elected member of a trade union organisation or a trade union organisation of another Group company,
  - 5) his or her social or gainful activities give rise to a conflict interests in relation to the Company's business.
5. A person who meets the requirements referred to in sections 3 and 4 above may be a candidate for a member of the Management Board.

### §13

1. Management Board members are appointed and dismissed by the Supervisory Board.
2. The Supervisory Board shall appoint a member of the Management Board following a qualification procedure whose purpose is to verify and assess the qualifications of the candidates and select the best candidate for the position of a member of the Management Board.
3. The Supervisory Board shall conduct qualification proceedings in the event of circumstances which justify the appointment of a member of the Management Board.
4. The Supervisory Board, when initiating the qualification procedure for the position of a member of the Management Board, shall determine, by way of a resolution, the detailed rules and mode of such a procedure, in particular the position that is the subject of the procedure, the date and place of acceptance of applications, the date and place of the interview, the scope of issues being the subject of the interview, requirements and manner of evaluation of the candidate.
5. The principles and amount of remuneration for members of the Management Board shall be determined taking into account the provisions of the Act of 9 June 2016 on the Rules of Structuring Remunerations of Persons Managing Certain Companies.
6. One of the Management Board members shall be appointed by the Supervisory Board to the position of President of the Management Board and one or several others to the position of Vice-President of the Management Board.
7. A member of the Management Board may resign from membership in the Management Board of the Company. Subject to section 8 below, resignation shall be effective for the Company if it is submitted in writing, to at least one member of the Management Board or a proxy. A member of the Management Board should notify at least one member of the Supervisory Board of the resignation.
8. If, as a result of resignation of a Member of the Management Board, no mandate in the Management Board is taken, Art. 369 § 5<sup>1</sup> and § 5<sup>2</sup> of the Code of Commercial Companies shall apply.
9. In the event of suspension or dismissal of the President of the Management Board or expiration of the mandate of the President of the Management Board before the expiry of the term of office, until a new

President is appointed or the suspension of the existing President is cancelled, all powers of the President other than the right to the casting vote, as referred to in § 11 section 4 above, shall be exercised by a person appointed by the Supervisory Board to act as President of the Management Board.

§14

In contracts between the Company and members of the Management Board, the Company is represented by the Supervisory Board. Statements of will on behalf of the Supervisory Board are made by two of its members authorised by an appropriate resolution of the Supervisory Board.

§15

1. Two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy are authorised to make statements of will on behalf of the Company in the case of a multi-person Management Board.
2. In the case of a single-person Management Board, only a member of the Management Board is authorised to make statements of will on behalf of the Company.
3. Proxy may include authorisation only to perform actions jointly with a member of the Management Board.

**B. SUPERVISORY BOARD**

§16

1. In addition to the matters laid down in separate provisions of law and the provisions of these Articles of Association, the specific powers of the Supervisory Board include:
  - 1) assessing the Management Board's reports on the Company's and capital group's operations as well as the financial statements for the previous financial year and the consolidated financial statements of the capital group in terms of their consistency with the records, relevant documents and the actual state of affairs, and assessing the Management Board's motion on allocation of profit or coverage of loss,
  - 2) submitting to the General Meeting a written report on the outcome of the activities referred to in point 1 above,
  - 3) preparing reports in connection with the exercise of supervision over the performance of investments by the Management Board and supervision over correctness and effectiveness of investment outlays made,
  - 4) preparing, at least once per year, together with a report on the results of the assessment of the annual financial statements and the consolidated financial statements of the capital group, an opinion of the Supervisory Board on the economic viability of the Company's capital exposure to other commercial companies effected in the relevant financial year,
  - 5) preparing and presenting, once per year, to the Ordinary General Meeting a brief assessment of the Company's standing, including an evaluation of the internal control system and the system for managing risks of significant importance to the Company,
  - 6) reviewing and presenting opinions on issues forming the subject matter of the resolutions to be passed by the General Meeting,
  - 7) selection of the audit firm to examine the financial statements and the consolidated financial statements of the capital group,
  - 8) specifying the scope and deadlines for submission of annual/long-term material and financial plans, other long-term plans and strategies for the Company and its capital group by the Management Board,
  - 9) approving strategies for the Company and its capital group,
  - 10) approving annual/long-term material and financial plans and investment plans for the Company and its capital group,
  - 11) adopting the bylaws defining in detail the mode of operation of the Supervisory Board,
  - 12) approving the Management Board's Bylaws,
  - 13) approving the Organisational Bylaws for the Company's enterprise,
  - 14) approving the principles of the Company's sponsoring activity and assessing its effectiveness,
  - 15) adoption of the consolidated text of the Company's Articles of Association,
  - 16) granting the Management Board a consent to:
    - a) purchasing fixed assets within the meaning of the Accounting Act of 29 September 1994 of the value exceeding:
      - PLN 20,000,000
      - 5% of the total assets within the meaning of the Accounting Act of 29 September 1994, as determined on the basis of the most recent financial statements,
    - b) disposal of fixed assets within the meaning of the Polish Accounting Act of 29 September 1994,

classified as intangible assets, tangible assets or long-term investment, including as a contribution made to a company or co-operative if the market value of those assets exceeds PLN 20,000,000 or 5% of the total assets within the meaning of the Accounting Act, as determined on the basis of the most recently approved financial statements, as well as transfer of these assets for use to another entity for a period longer than 180 days in the calendar year, on the basis of a legal transaction, if the market value of the object of the legal transaction exceeds PLN 500,000 or 5% of the total assets, and transfer for use in the case of:

- i. rental or lease contracts and other contracts on transfer of an asset for paid use to other entities – the market value of an object of a legal transaction is understood as the value of performances made:
    - over a period of one year if the asset was transferred for use on the basis of a contract concluded for an unspecified time,
    - throughout the term of the contract in the case of contracts concluded for a specified time,
  - ii. contracts of lending for use and other contracts on transfer of an asset for gratuitous use to other entities – the market value of the object of the legal transaction shall be understood as the equivalent of the value of the performances that would have been due had a contract of rental or lease been signed:
    - for a period of one year if the asset was transferred for use on the basis of a contract concluded for an unspecified time,
    - throughout the term of the contract in the case of contracts concluded for a specified time,
  - c) conclusion by the Company of an agreement with an affiliated entity, the value of which exceeds 10% of the Company's equity, except for typical agreements concluded on market terms within the framework of the Company's operating activity with a subsidiary in which the Company holds a majority capital share,
  - d) contracting contingent liabilities, including the granting by the Company of financial guarantees and sureties the value of which exceeds PLN 10,000,000, except for contingent liabilities pertaining to subsidiaries,
  - e) issue of bills of exchange with a value exceeding PLN 10,000,000,
  - f) conclusion of a donation contract or another contract with a similar effect, the value of which exceeds the equivalent of PLN 20,000 or 0.1% of the total assets within the meaning of the Accounting Act of 29 September 1994, as determined on the basis of the most recently approved financial statements,
  - g) disbursement of interim dividends,
  - h) subscription for or acquisition of stocks or shares in other companies with a value exceeding:
    - PLN 20,000,000 or,
    - 10% of the total assets within the meaning of the Accounting Act of 29 September 1994, as determined on the basis of the most recent financial statements,
  - i) selling stocks or shares in other companies with a value exceeding:
    - PLN 20,000,000 or,
    - 10% of the total assets within the meaning of the Accounting Act of 29 September 1994, as determined on the basis of the most recent financial statements,
  - j) investment projects concerning or related to a generation unit and a cogeneration unit with a value exceeding EUR 50,000,000 or a distribution network with a value exceeding EUR 5,000,000 - within the meaning of the Energy Law – implemented or co-financed or secured by the Company or on the Company's assets,
  - k) conclusion of a contract for legal services, marketing services, public relations and social communication services, as well as management consulting services, if the amount of remuneration provided for services rendered jointly in this contract or other contracts concluded with the same entity exceeds PLN 500,000 net, on an annual basis,
  - l) amendment to a contract for legal services, marketing services, public relations and social communication services and management-related consulting services raising the remuneration beyond the amount referred to in letter k,
  - m) signing a contract for legal services, marketing services, public relations and social communication services and management-related consulting services where no maximum amount of the remuneration is specified,
  - n) release from debt or another contract with a similar effect, the value of which exceeds the equivalent of PLN 50,000 or 0.1% of the total assets within the meaning of the Accounting Act of 29 September 1994, as determined on the basis of the most recently approved financial statements.
- 17) determining the individual conditions for the provision of services by members of the Management Board, as part of the resolution of the General Meeting of Shareholders as referred to in § 27 section 1 clause 8) below,

- 18) determining the Rules of the Bonus System for members of the Management Board,
  - 19) suspending, for major reasons, individual or all members of the Management Board, as well as delegating members of the Supervisory Board, for a period not exceeding three months, to perform temporarily the duties of Management Board members who are at the time unable to perform their duties and setting their remuneration, provided that the total remuneration received by the delegated person for his or her performance of the function of a Supervisory Board member and his or her temporary performance of the duties of a Management Board member does not exceed the salary set in respect of the Management Board member being filled in for by the delegated member of the Supervisory Board,
  - 20) granting consent for the establishment of the Company's branches abroad,
  - 21) authorising Management Board members to assume positions in corporate bodies of other companies and collecting resulting remuneration,
  - 22) determining the voting instructions for the Company to the general meetings of companies involved in generation, transmission or distribution of electricity in the following matters:
    - a) the incurring of contingent liabilities by such companies,
    - b) the contracting of loan agreements,
    - c) the establishment of collateral by such companies, including the establishment of security on their assets,
    - d) the contracting of other agreements or the adoption of general meeting resolutions pertaining or related to generation units, cogeneration units with a value in excess of EUR 50,000,000 or a distribution grid within the meaning of the Energy Law with a value in excess of EUR 5,000,000,
  - 23) specifying the Company's voting instructions for the general meetings of companies in which the Company holds shares with a total par value in excess of PLN 20,000,000 and which at the same time represent more than 50% of the share capital of such companies or the Company's subsidiaries within the meaning of the provisions of the Code of Commercial Companies, in the following matters:
    - a) contracting of a liability, the establishment of a limited right in rem or the disposal of a right, including in particular the purchase or sale of a real property, a right of perpetual usufruct or an interest in a real property or in a right of perpetual usufruct with a value in excess of PLN 10,000,000,
    - b) granting by the company of financial guarantees and sureties the value of which exceeds PLN 10,000,000,
    - c) the amendment of the company's articles of association or articles of partnership,
    - d) the increase or lowering of the share capital,
    - e) the merger, split-up or transformation of the company,
    - f) the establishment by such company of another company or the subscription for, purchase or sale by such company of shares or interests in another company,
    - g) the sale or lease of the Company's enterprise or an organised part thereof or the establishment of a limited right in rem thereon if their value is in excess of PLN 40,000,000,
    - h) the issuance of bonds,
    - i) the dissolution and liquidation of the company,
    - j) pertaining to generation units, cogeneration units with a value in excess of EUR 50,000,000 or distribution grids within the meaning of the Energy Law with a value in excess of EUR of 5,000,000,
  - 24) granting the consent to conclude a material transaction with an entity related to the Company within the meaning of the Act of 29 July 2005 on Public Offering and on the Terms of Introducing Financial Instruments into Organised Trading and on Public Companies,
  - 25) developing a procedure for periodic assessment whether material transactions with a related party of the Company are concluded on an arm's length basis as part of the ordinary business of the Company or a subsidiary of the Company.
2. The Company's Management Board shall:
- 1) provide the Supervisory Board with quarterly information on the investment projects referred to in section 1 clause 16 (j) above, regardless of the progress of the project,
  - 2) provide the Supervisory Board with information on the course of and decisions taken at the general meeting in the matters referred to in section 1 clause 21 and item 22 (j) above,
  - 3) provide the Supervisory Board, within two months of the adjournment of the general meeting of companies in which the Company holds shares approving the financial statements and the activity reports or the consolidated financial statements of capital groups and the activity reports of capital groups, with annual information on the execution of investment projects pertaining or related to a generation unit or a cogeneration unit with a value in excess of EUR 50,000,000 or a distribution grid with a value in excess of EUR 5,000,000,
  - 4) submit to the Supervisory Board, together with the Management Board's report on the Company's activities for the previous financial year, reports on:
    - a) representation expenses, expenditure on legal services, marketing services, public relations and

- communication services and management consulting services,
- b) the application of *good practices referred to in Art. 7 (3) of the Act of 16 December 2016 on the Rules of Managing State Assets, if they apply to the Company*
- 5) at least once a year prepare a report on supervision over the implementation of investment projects and submit it to the Supervisory Board for approval,
- 6) in companies where the Company is a dominant entrepreneur within the meaning of Article 4(3) of the Act of 16 February 2007 on Competition and Consumer Protection, in conjunction with Article 17(7), Article 18(2), Article 20 and Article 23, taking into account Articles 18a and 23a of the Act on the Rules for Management of State Property, introduce the rules enumerated in the Act on Managing State Assets.

#### §17

1. The Supervisory Board consists of 5 to 9 members.
2. Members of the Supervisory Board shall be appointed and dismissed by the General Meeting of Shareholders, subject to section 3 below. The number of members of the Supervisory Board shall be set by the General Meeting.
3. PKN ORLEN S.A. shall have the personal right to appoint and dismiss members of the Supervisory Board, as follows:
  - 1) if the General Meeting of Shareholders determines that the Supervisory Board is composed of an even number of members of the Supervisory Board – PKN ORLEN S.A. shall appoint such a number of members of the Supervisory Board which results from (a) dividing an even number of members of the Supervisory Board by two and then (b) increasing such a quotient by one so that PKN ORLEN S.A. has the absolute number of votes in the Supervisory Board;
  - 2) if the General Meeting of Shareholders determines that the Supervisory Board is composed of an odd number of members of the Supervisory Board – PKN ORLEN S.A. shall appoint such a number of members of the Supervisory Board which results from (a) dividing an odd number of members of the Supervisory Board by two and then (b) rounding off a quotient so calculated upwards to the closest integer so that PKN ORLEN S.A. has the absolute number of votes in the Supervisory Board;
  - 3) appointing and dismissing of members of the Supervisory Board shall take place by means of a written statement of PKN ORLEN S.A. filed to the Management Board of the Company. The statement shall be deemed filed upon its delivery.
4. The term of office of members of the Supervisory Board shall be a joint term and shall end on the day on which the General Meeting approves the financial statements for the second full financial year of its term of office. The beginning of the joint term of office so defined shall be the day following the day on which the General Meeting of Shareholders the Company approves the financial statements for 2019. Notwithstanding other circumstances provided for in the Code of Commercial Companies, the mandate of a member of the Supervisory Board shall expire upon the end of the term of office.
5. PKN ORLEN S.A. shall name, as a candidate for the position of a member of the Supervisory Board or appoint to the Supervisory Board a person who has been positively reviewed by the Council for Companies with State Treasury Shareholding and State Legal Persons as referred to in provisions of the Act of 16 December 2016 on the Rules of Managing State Assets.
6. Members of the Supervisory Board referred to in section 5 above should each time meet the requirements set out in the Act of 16 December 2016 on the Rules of Managing State Assets, in particular:
  - 1) have a university degree or a university degree received abroad and recognised in the Republic of Poland on the basis of the relevant provisions of law, and have a service period on the basis of a contract of employment, appointment, choice, or designation, cooperative contract of employment, or a period of provision of services on the basis of another contract or under self-employment arrangements, of at least five years, and meet at least one of the following requirements:
    - a) hold the degree of DEcon, LL.D. or DSc in technical sciences,
    - b) have the professional title of legal adviser, advocate, registered auditor, tax adviser, investment adviser, or restructuring adviser,
    - c) have the title of Master of Business Administration (MBA),
    - d) hold the Chartered Financial Analyst (CFA) credential,
    - e) hold a Certified International Investment Analyst (CIIA) certificate,
    - f) hold an Association of Chartered Certified Accountants (ACCA) certificate,
    - g) hold the Certified in Financial Forensics (CFF) credential,
    - h) have a confirmation that he or she has passed the examination before a committee appointed by the Minister of Ownership Transformations, the Minister of Industry and Trade, the Minister of the Treasury or a Selection Committee appointed pursuant to Article 15(2) of the Act of 30 April 1993 on National Investment Funds and their Privatisation,
    - i) have a confirmation that he or she has passed the examination before a committee appointed by

the Minister of the Treasury pursuant to Article 12(2) of the Act of 30 April 1996 on Commercialisation and Privatisation,

- j) have a confirmation of successfully passed examination for candidates for members of supervisory organs before an examination committee appointed by the Prime Minister;
  - k) pass the examination for candidates for members of supervisory bodies before an examination committee appointed by the minister competent for state assets;
  - l) have knowledge or professional experience in the field of business management, supervision over the activities of management bodies of entrepreneurs, business consultancy or the specific nature of operations of the market of companies recognised in accordance with the secondary legislation issued pursuant to Art. 31 (2) of the Act of 16 December 2016 on the Rules of Managing State Assets as the companies of significant importance to the state economy;
- 2) not be in an employment relationship with the Company or provide work or services thereto under any other legal relationship;
  - 3) not hold shares, within the meaning of the Act of 16 December 2016 on the Rules of Managing State Assets, in a subsidiary, except for shares admitted to trading on a regulated market within the meaning assigned by the Act on Trading in Financial Instruments of 29 July 2005;
  - 4) not be in an employment relationship with the company referred to in point 3) above or provide work or services thereto under any other legal relationship;
  - 5) not to perform any activities that would be in conflict with his or her duties as a member of the Supervisory Board or which could give rise to any suspicion of partiality or interest or a conflict of interests in relation to the Company's business;
  - 6) meet requirements for a member of the Supervisory Board other than those specified in points 1 to 5 above, as specified in the relevant provisions of law.
7. The limitations referred to in paragraph 6 section 4 above shall not apply to the membership in the supervisory bodies.
  8. PKN ORLEN S.A. may not name as a candidate for the position of a member of the Supervisory Board or appoint as a member of the Supervisory Board any person who meets at least one of the following conditions:
    - 1) he or she is a volunteer assistant or employee in the offices of Members of Parliament, Senators, Members of Parliament and Senators, or Members of the European Parliament, under a contract of employment, or works under a fee-for-task or similar contract;
    - 2) he or she is a member of an organ of a political party which represents the political party and is authorised to incur liabilities;
    - 3) he or she is employed by a political party under a contract of employment or works under a fee-for-task or similar contract;
  9. PKN ORLEN S.A. shall immediately take actions to dismiss a member of the Supervisory Board referred to in section 5 above who does not meet the requirements set out in this article.
  10. In the period in which the Company is a public company with at least one share admitted to trading in the regulated market, the majority of members of the Audit Committee appointed by the Supervisory Board out of members of the Supervisory Board and established by the General Meeting of Shareholders should meet the independence criteria provided for an independent member of the Supervisory Board, as defined in § 24 section 2 clause 3 below.
  11. A member of the Supervisory Board may resign from their function in the Company. A resignation shall be effective if it is made in writing to the Company, to the hands of at least one member of the Management Board or a proxy. A copy of the resignation must be forwarded to the Chairman of the Supervisory Board for reference.

#### §18

1. PKN ORLEN S.A. shall have the personal right to appoint, out of members of the Supervisory Board appointed in accordance with § 17 section 3 above, a member of the Supervisory Board who shall act as the Chairman of the Supervisory Board. This right also applies if the Supervisory Board is elected by voting in separate groups in accordance with Article 385 of the Code of Commercial Companies. The Chairman of the Supervisory Board shall be appointed by way of a written statement filed with the Management Board. The statement shall be deemed filed upon its delivery.
2. The Supervisory Board shall appoint and dismiss the Vice-Chairman and the Secretary of the Supervisory Board. Appointment of the Vice-Chairman and Secretary of the Supervisory Board should take place at the first meeting of the Supervisory Board of the new term of office.
3. Meetings of the Supervisory Board shall be conducted by the Chairman, or in his absence, the Vice-Chairman.
4. Statements addressed to the Supervisory Board shall be submitted to the Chairman of the Supervisory

Board, and when it is impossible or very difficult, to the Vice-Chairman or the Secretary.

§19

1. The Supervisory Board maintains regular supervision over activities of the Company in all fields of its operations.
2. The Supervisory Board shall meet at least once every 2 months.
3. Meetings of the Supervisory Board shall be convened by the Chairman of the Supervisory Board or another authorised member of the Supervisory Board, presenting a detailed agenda.
4. A meeting of the Supervisory Board should be convened at the request of any member of the Supervisory Board or at the request of the Management Board.
5. A meeting of the Supervisory Board may be also attended by using means of direct remote communications.

§20

1. In order to convene a meeting of the Supervisory Board, it is required to invite all members of the Supervisory Board at least 7 days before the meeting. For important reasons, the Chairman of the Supervisory Board may shorten this period to two days, while ensuring that members of the Supervisory Board are timely informed of the accelerated date of the meeting with the appropriate means of communication.
2. In the invitation to the meeting of the Supervisory Board, the Chairman shall specify the date, venue and agenda of the meeting.

§21

1. The Supervisory Board may adopt resolutions if at least one half of its members are present and if all the Supervisory Board members have been invited to the meeting.
2. Resolutions of the Supervisory Board are passed by the absolute majority of votes. In the event of a tie vote, the vote cast by the Chairperson of the Supervisory Board shall prevail.
3. The Supervisory Board adopts resolutions in an open ballot.
4. The Supervisory Board may adopt resolutions by following a written procedure or via remote means of direct communication, including via e-mail, video-conference or teleconference. A resolution is valid if all members of the Supervisory Board have been notified of the wording of the draft resolution.
5. Resolutions adopted pursuant to the procedure set forth in section 4 above shall be presented at the next Supervisory Board meeting together with the outcome of the vote.

§22

1. The Members of the Supervisory Board shall carry out their duties in person.
2. Participation in meetings is the duty of a Member of the Supervisory Board. Excusing the absence of a Member of the Supervisory Board shall require a resolution of the Supervisory Board.
3. Members of the Supervisory Board shall be entitled to a monthly remuneration in the amount determined by the General Meeting of Shareholders.
4. The Company covers the expenses incurred in connection with the performance of functions by the members of the Supervisory Board, in particular the cost of travel to attend Supervisory Board meetings, costs of accommodation and meals.
5. A member of the Supervisory Board shall disclose their relation to any shareholder holding shares representing at least 5% of votes at the general meeting to the Management Board of the Company. The above obligation shall apply to business, family and other relationships capable of affecting the standpoint of such member of Supervisory Board on any matter settled by the Supervisory Board.
6. The Company, pursuant to a resolution adopted by the General Meeting of Shareholders, may insure Members of the Supervisory Board from civil liability.

§23

1. During the period when the Company's shares are traded on a regulated market of Giełda Papierów Wartościowych w Warszawie S.A. [the Warsaw Stock Exchange], the Supervisory Board shall elect an Audit Committee from among its members.
2. Subject to § 24 section 2 below, the Supervisory Board may appoint standing or ad hoc committees.

§24

1. A member of the Supervisory Board may not perform activities that would remain in conflict with their duties or could result in a suspicion of bias or self-interest.
2. In the period in which the Company is a public company with at least one share admitted to trading in the regulated market:



- 1) at least three-member Audit Committee appointed by the Supervisory Board out of its members shall operate in the Company;
  - 2) at least one member of the Audit Committee should have knowledge and skills in the field of accounting or auditing of financial statements (Criterion of Knowledge of Reporting);
  - 3) the majority of members of the Audit Committee, including its chairman, must meet the requirement of independence (Criterion of Independence) provided for by the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Act on Auditors);
  - 4) members of the Audit Committee should have skills and knowledge in the industry in which the Company operates; this condition is considered to be fulfilled if at least one member of the Audit Committee has skills and knowledge of the industry or if individual members, to specific extent, have skills and knowledge of the industry (Criterion of Industry Knowledge).
3. A candidate for a member of the Supervisory Board intending to perform a function within the Audit Committee shall submit to the Company, before their appointment to the Supervisory Board, a written declaration of fulfilment of: The Criterion of Knowledge of Reporting, Criterion of Independence or Criterion of Industry Knowledge. In the event of circumstances resulting in failure to meet any of the declared criteria, in particular the Criterion of Independence, the member of the Supervisory Board shall immediately notify the Company of that fact. The Company shall publicly publish information on the current number of independent members of the Supervisory Board.
4. Subject to § 17 section 3 above, if the Company fails to meet any of the requirements regarding members of the Audit Committee referred to in the Act on Auditors, the Management Board of the Company shall immediately convene the General Meeting of Shareholders and put in its agenda an item concerning replenishment or changes to the composition of the Supervisory Board. Until changes in the composition of the Supervisory Board are made to adjust the number of members of the Audit Committee to the requirements of the Act on Auditors, the Supervisory Board and its members shall act in the existing composition and retain the ability to hold meetings and pass resolutions, as well as perform any other legal and factual activities.

### C. GENERAL MEETING OF SHAREHOLDERS

#### §25

1. General Meetings of Shareholders shall be held at the registered office of the Company or in Warsaw.
2. The General Meeting shall be ordinary or extraordinary.
3. The General Meeting of Shareholders shall be convened by the Management Board of the Company:
  - 1) on its own initiative,
  - 2) at the written request of the Supervisory Board,
  - 3) at the written request of a shareholder or shareholders representing at least one-twentieth of the share capital.
4. In the case referred to in art. 369 § 5<sup>2</sup> of the Code of Commercial Companies, a member of the Management Board shall convene a General Meeting of Shareholders.

#### §26

1. Shareholders may participate in the General Meeting and exercise their voting rights in person or by proxy.
2. The proceedings of the General Meeting shall be transmitted in real time and the audio or video recording of the proceedings shall be posted on the Company's website upon the end of the proceedings.
3. The General Meeting is entitled to adopt the Bylaws of the General Meeting setting forth the detailed rules for the operation of this corporate body.

#### §27

1. The following matters, beyond the matters specified in separate provisions of law and these Articles of Association, require the adoption of a resolution by the General Meeting:
  - 1) the Company's execution of a loan, advance or surety agreement or another similar agreement with a member of the Management Board, a member of the Supervisory Board, a commercial proxy or a liquidator or in favour of any such person,
  - 2) the Company's acquisition of its treasury stock in the situation referred to in Article 362 § 1 Item 2 of the Code of Commercial Companies,
  - 3) the establishment, use or dissolution of the capital accounts or funds referred to in § 31 section 1 item 5 and section 2, created by way of a General Meeting resolution below,
  - 4) shifting of the dividend record date, indication of the dividend payable date or splitting of the dividend payment into instalments,
  - 5) all decisions concerning claims for damage caused in the course of the formation of the Company or

- the exercise of management or supervision,
- 6) disposal or lease of the enterprise or a branch of activities and creation of limited property rights thereon,
  - 7) making decisions on awarding remuneration to members of the Supervisory Board and, if granted, determining its amount and rules of remuneration,
  - 8) definition of the rules for determining the remuneration of members of the Management Board,
  - 9) issue of convertible bonds or bonds with the right of priority and issue of subscription warrants referred to in art. 453 § 2 of the Code of Commercial Companies,
  - 10) increase or decrease of the share capital,
  - 11) adopting a policy specifying the principles of remuneration for members of the Management Board and Supervisory Board of the Company.
2. Save as otherwise provided in these Articles of Association or legislation, the purchase or sale of real property, perpetual usufruct or an interest in real property shall not require a resolution of the General Meeting of Shareholders.
  3. In the matters referred to in section 1, the Management Board should present to the General Meeting a written explanation of its position together with a written opinion of the Supervisory Board on each of such matters.

#### §28

1. Resolutions of the General Meeting of Shareholders concerning:
  - 1) the introduction of different types of shares, establishment of new types of shares,
  - 2) changes to share preferences,
  - 3) merger of the Company by formation of a new company or by acquisition by another company,
  - 4) a division of the Company, with the exception of division by separation,
  - 5) dissolution of the company, moving the registered office or principal establishment of the Company abroad,
  - 6) transformation of the Company,
  - 7) any decrease in the share capital by redemption of a portion of shares, unless made in parallel with an increase in share capital – require a four-fifths majority of votes cast.
2. A resolution concerning a significant change to the Company's line of business can be passed without the redemption of shares from the shareholders who oppose the change

### V. ECONOMY OF THE COMPANY

#### §29

The calendar year shall be the accounting year of the Company.

#### §30

The Company's accounts shall be kept in accordance with the International Accounting Standards and applicable law.

#### §31

1. The Company shall set up the following equities and funds:
  - 1) share capital,
  - 2) share premium,
  - 3) revaluation reserve,
  - 4) reserves,
  - 5) other funds created by means of a resolution of the General Meeting of Shareholders.
2. The Company may set up and dissolve other equities, by means of a resolution of the General Meeting of Shareholders, to cover specific losses or expenses, at the beginning and during the financial year.

#### §32

1. The General Meeting of Shareholders may allocate profits to pay dividends, equities and funds of the Company and for other purposes, under the principles defined by the General Meeting of Shareholders.
2. The Management Board of the Company shall be authorised to pass a resolution on making an advance payment to the shareholders against the dividend expected to be paid out at the end of the financial year provided that the Company has sufficient funds to make such a payment. The advance payment shall require the consent of the Supervisory Board.

## §33

The Company may issue bonds including convertible bonds and bonds with right of priority.

**VI. PRINCIPLES OF SALE OF FIXED ASSETS**

## §34

1. Subject to section 2 below, the sale by the Company of fixed assets within the meaning of the Accounting Act of 29 September 1994 shall take place under a tendering procedure or an auction in the event of assets with a value exceeding 0.1% of the total assets, as determined on the basis of the most recently approved financial statements, unless the market value of the asset put up for sale does not exceed the equivalent of PLN 20,000 (say: twenty thousand zlotys).
2. The Company may sell fixed assets without holding a tendering procedure or an auction if:
  - 1) the object of the contract are shares/interests or other financial fixed assets or licenses, patents or other industrial property rights or know-how, provided the terms and conditions of the sale process other than a public tendering procedure or an auction have been defined in a resolution of the Supervisory Board,
  - 2) the sale takes place in the winding-up proceedings on the terms and conditions defined in a resolution of the General Meeting, under separate legal regulations,
  - 3) the object of the sale are residential units constituting the company's property and the sale takes place in return for a price not lower than 50% of their market value to the tenant or the tenant's relative living with the tenant on a permanent basis within the meaning of Article 4.13 of the Act on Real Estate Management of 21 August 1997; the price shall be specified taking into account the fact that occupied units constitute the object of the sale; the values of improvements made by the tenant shall be counted towards the price of the unit,
  - 4) in other justified cases – on the motion from the Management Board, in return for the price or on the terms and conditions specified by way of a resolution of the Supervisory Board,
  - 5) the sale is made to the subsidiaries and companies of the ORLEN Group,
  - 6) the object of the sale are carbon dioxide emission allowances and their equivalents,
  - 7) the rules of sale of fixed assets of a particular type are defined separately in mandatory provisions of law,
3. The following mode of disposal of fixed assets is hereby adopted:
  - 1) the announcement of the tender or auction shall be published on the website of the Company, in a visible and publicly accessible place at the Company's registered office and in other places customary for placing announcements.
  - 2) The auction or tender may take place no earlier than 14 days after the announcement of the auction or tender.
  - 3) The following may not participate in the auction or tender as bidders:
    - a) Members of the Management Board and Supervisory Board of the Company,
    - b) the business entity conducting the tender or auction and Members of its Management Board and Supervisory Board,
    - c) persons entrusted with the performance of activities related to the conduct of the auction or tender,
    - d) the spouse, children, parents and siblings of the persons referred to in letters a) - c),
    - e) persons who remain in a legal or actual relationship with the auctioneer that may raise reasonable doubt as to the impartiality of the auctioneer.
  - 4) entering a tender or auction shall be contingent upon providing a tender bond of at least 5% of the starting price of the fixed asset put on sale. The Terms and Conditions referred to in clause 7 below may provide for a higher amount of the bond.
  - 5) before commencing a tender or auction, the Company shall determine the starting price, which may not be lower than the market value determined by experts; if such value cannot be determined, such price may not be lower than the net book value.
  - 6) The Company may waive the valuation of a fixed asset by an appraiser if:
    - a) the costs of its valuation obviously exceeds its market value
    - b) the fixed asset has a set market price.
  - 7) the terms and conditions setting forth the rules and mode of the tender or auction, the content of the announcement, the form and conditions of the tender or auction shall be adopted by the Company.
  - 8) the tender or auction organiser shall have the right to close the tender without selecting any bid, without giving reasons.
  - 9) the winner of the tender or auction shall be the bidder who offered the highest price.

**VII. MISCELLANEOUS**

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§35

1. Whenever these By-Laws refer to the amount expressed in zlotys, this shall mean the net amount.
2. If the Company is to perform an operation expressed in a currency other than zloty, then in order to determine whether performance of such an operation requires corporate approvals, the equivalent of such an amount in zlotys shall be used at the average exchange rate of that currency to the Polish currency as announced by the National Bank of Poland on the day preceding the date of request for the consent to perform such an operation or on the day on which the Management Board determines that the operation does not require corporate approvals given its value.”

§2

The Resolution comes into effect upon its adoption.