

- consolidated text -  
**ARTICLES OF ASSOCIATION OF A JOINT-  
STOCK COMPANY**

*(valid as of December 17th 2018)*

**I. Business Name, Registered Office, Object, Duration**

**Art. 1**

With the purpose of continuing joint business activity, the founders resolve to transform the limited liability company operating under the name of Technologie Gazowe Piecobiogaz Spółka z ograniczoną odpowiedzialnością into a joint-stock company, hereinafter referred to as the "Company".

**Art. 2**

In pursuit of the objective defined in Art. 1 of these Articles of Association, the Company may:

1. Acquire businesses, organised parts of businesses, and shares in other organisational entities,
2. Establish domestic and foreign branches.

**Art. 3**

1. The business name of the Company is PBG Spółka Akcyjna.
2. For the first year following its registration, in addition to the business name specified in Art. 3.1 above, the Company shall use the designation "dawniej Technologie Gazowe Piecobiogaz Sp. z o.o. (formerly Technologie Gazowe Piecobiogaz Sp. z o.o.)."

**Art. 4**

The registered office of the Company shall be in Wysogotowo near Poznań.

**Art. 5**

The object of the Company's business, as per the Polish Classification of Activities (PKD), shall be:

1. Manufacture of tools PKD 25.73.Z
2. Manufacture of lifting and handling equipment PKD 28.22.Z
3. Manufacture of non-domestic cooling and ventilation equipment PKD 28.25.Z
4. Manufacture of other general purpose machinery, n.e.c. PKD 28.29.Z  
Manufacture of machinery for mining, quarrying and construction PKD 28.92.Z

5. Manufacture of plastic and rubber machinery and manufacture of rubber and plastic products PKD 28.96.Z
6. Manufacture of other special-purpose machinery, n.e.c. PKD 28.99.Z
7. Maintenance and repair of machinery PKD 33.12.Z
8. Maintenance and repair of electronic and optical equipment PKD 33.13.Z
9. Installation of industrial machinery and equipment PKD 33.20.Z
10. Production of electricity PKD 35.11.Z
11. Transmission of electricity PKD 35.12.Z
12. Distribution of electricity PKD 35.13.Z
13. Trade of electricity PKD 35.14.Z
14. Distribution of gaseous fuels through mains PKD 35.22.Z
15. Trade of gaseous fuels through mains PKD 35.23.Z
16. Water collection, treatment and supply PKD 36.00.Z
17. Sewerage PKD 37.00.Z
18. Collection of non-hazardous waste PKD 38.11.Z
19. Collection of hazardous waste PKD 38.12.Z
20. Treatment and disposal of non-hazardous waste PKD 38.21.Z
21. Treatment and disposal of hazardous waste PKD 38.22.Z
22. Remediation activities and other waste management services PKD 39.00.Z
23. Construction of residential and non-residential buildings PKD 41.20.Z
24. Construction of roads and motorways PKD 42.11.Z
25. Construction of railways and underground railways PKD 42.12.Z
26. Construction of bridges and tunnels PKD 42.13.Z
27. Construction of transmission pipelines and distribution systems PKD 42.21.Z
28. Construction of utility projects for electricity and telecommunications PKD 42.22.Z
29. Construction of water projects PKD 42.91.Z
30. Construction of other civil engineering and water projects, n.e.c. PKD 42.99.Z
31. Demolition PKD 43.11.Z
32. Site preparation PKD 43.12.Z
33. Test drilling and boring PKD 43.13.Z
34. Electrical installation PKD 43.21.Z
35. Plumbing, heat and air conditioning installation PKD 43.22.Z
36. Other construction installation PKD 43.29.Z

37. Plastering PKD 43.31.Z
38. Joinery installation PKD 43.32.Z
39. Floor and wall covering PKD 43.33.Z
40. Painting and glazing PKD 43.34.Z
41. Other building completion and finishing PKD 43.39.Z
42. Roofing activities PKD 43.91.Z
43. Other specialised construction activities, n.e.c PKD 43.99.Z
44. Wholesale of other intermediate products PKD 46.76.Z
45. Transport of gaseous fuels via pipeline PKD 49.50.A
46. Transport of other products via pipeline PKD 49.50.B
47. Warehousing and storage of gaseous fuels PKD 52.10.A
48. Warehousing and storage of other products PKD 52.10.B
49. Activities of holding companies PKD 64.20.Z
50. Trusts, funds and similar financial entities PKD 64.30.Z
51. Finance leasing PKD 64.91.Z
52. Other credit granting PKD 64.92.Z
53. Other financial service activities, except insurance and pension funding, n.e.c. PKD 64.99.Z
54. Other activities auxiliary to financial services, except insurance and pension funding PKD 66.19.Z
55. Renting and operating of own or leased real estate PKD 68.20.Z
56. Accounting, bookkeeping and auditing activities; tax consultancy PKD 69.20.Z
57. Business and other management consultancy activities PKD 70.22.Z
58. Architectural activities PKD 71.11.Z
59. Engineering activities and related technical consultancy PKD 71.12.Z
60. Technical testing and analysis PKD 71.20.B
61. Renting and leasing of other motor vehicles other than motorcycles PKD 77.12.Z
62. Renting and leasing of construction and civil engineering machinery and equipment PKD 77.32.Z
63. Renting and leasing of office machinery and equipment (including computers) PKD 77.33.Z
64. Renting and leasing of other machinery, equipment and tangibles goods, n.e.c. PKD 77.39.Z
65. Other professional, scientific and technical activities, n.e.c. PKD 74.90.Z
66. Museums activities PKD 91.02.Z

67. Renting and leasing of cars and light motor vehicles PKD 77.11.Z
68. Other education, n.e.c. PKD 85.59.B.

#### **Art. 6**

The Parent was established for an unlimited time.

#### **Art. 7**

The Company was established through transformation of Technologie Gazowe Piecobiogaz Spółka z ograniczoną odpowiedzialnością pursuant to Title IV, Section III, Chapters 1 and 4 of the Commercial Companies Code of September 15th 2000 (Dz.U. No. 94, item 1037).

#### **Art. 8**

The Founders of the Company are:

1. Jerzy Wiśniewski (the "**Entitled Founder**"),
2. Małgorzata Wiśniewska,
3. Marek Grunt,
4. Tomasz Woroch.

## **II. Share capital**

#### **Art. 9**

1. The share capital of the Company is PLN 16,301,872.84 (sixteen million, three hundred and one thousand, eight hundred and seventy-two złoty, 84/100) and is divided into 5,700,000 (five million, seven hundred thousand) Series A shares, 1,500,000 (one million, five hundred thousand) Series B shares, 3,000,000 (three million) Series C shares, 330,000 (three hundred and thirty thousand) Series D shares, 1,500,000 (one million, five hundred thousand) Series E shares, 1,400,000 (one million, four hundred thousand) Series F shares, 865,000 (eight hundred and sixty-five thousand) Series G shares, 787,925,810 (seven hundred and eighty-seven million, nine hundred and twenty-five thousand, eight hundred and ten) Series H shares, and 12,872,832 (twelve million, eight hundred and seventy-two thousand, eight hundred and thirty-two) Series I shares.
2. The par value per share is PLN 0.02 (two grosz).
3. Under Resolution No. 2/2015 of the Extraordinary General Meeting held on July 31st 2015, the Company's share capital was conditionally increased by no more than PLN 900,000.00 (nine hundred thousand złoty), through an issue of up to 45,000,000 (forty-five million) Series I ordinary bearer shares, with a par value of PLN 0.02 (two grosz) per share.

4. The purpose of the conditional share capital increase referred to in Art. 9.3 above is to grant the right to acquire Series I shares to the holders of subscription warrants issued by the Company by way of Resolution No. 2/2015 of the Extraordinary General Meeting held on July 31st 2015, amended by the Annual General Meeting's resolution of December 20th 2016.
5. The person entitled to acquire Series I shares in the exercise of rights under the subscription warrants referred to in Art. 9.4 above shall be the Entitled Founder.

#### **Art. 10**

1. Series A, B, C, D, E, F and G shares shall be bearer shares.
2. Series H shares shall be registered shares.
3. Series A and B shares are delivered in exchange for shares in Technologie Gazowe Piecobiogaz Spółka z ograniczoną odpowiedzialnością in connection with the Company's transformation in accordance with the laws pertaining to commercial companies, and paid for with assets of the transformed Company.
4. Series H shares are shares delivered by way of a debt-to-equity swap, under the arrangement concluded in the course of the proceedings initiated against the Company by way of a decision of the District Court of Poznań-Stare Miasto in Poznań, 11th Commercial Insolvency and Arrangement Division, of June 13th 2012, to declare the Company insolvent in voluntary arrangement.

#### **Art. 11**

*(repealed)*

#### **Art. 12**

1. At the request of a shareholder, registered shares may be converted into bearer shares. Conversion of bearer shares into registered shares is not permitted.
2. All registered shares shall be converted into bearer shares upon their conversion into book-entry form within the meaning of the Act on Trading in Financial Instruments dated July 29th 2005.

#### **Art. 13**

1. The share capital may be increased by offering shares to existing shareholders or to specific third parties or by way of private or public subscription.
2. A share capital increase may be paid up with cash or non-cash contributions and also by way of a transfer to the share capital of funds from the reserve funds or capital reserves created from profit, provided that such funds or reserves may be used for such a purpose.

### **III. Rights and obligations of the Shareholders**

#### **Art. 14**

*(repealed)*

#### **Art. 15**

Any profit allocated by the General Meeting for distribution shall be distributed pro rata to the number of shares held or, where the shares have not been paid up in full, pro rata to the contributions paid towards the shares.

#### **Art. 16**

Shares may be cancelled with the consent of the shareholder by way of their acquisition by the Company. Consideration for cancelled shares may be paid to shareholders only out of the Company's profits.

#### **Art. 17**

Subject to the Supervisory Board's approval, the Company's Management Board is authorised to pay the shareholders interim dividend towards the expected dividend for the end of the financial year.

#### **Art. 18**

1. Pledgees and usufructuaries of the shares do not hold voting rights.
2. The assignment of special rights to shares, or of personal rights to shareholders, may be made contingent upon the provision of specific benefits, expiry of a deadline, or fulfilment of a condition, to the extent that such contingency is provided for in these Articles of Association.
3. The Company may issue bonds convertible into shares and bonds conferring pre-emptive rights.

### **IV. Governing bodies**

#### **Art. 19**

The governing bodies of the Company are as follows:

- 1) General Meeting,
- 2) Supervisory Board,
- 3) Management Board,

## **A. General Meeting.**

### **Art. 20**

1. The General Meeting shall be convened by the Management Board as an annual meeting (the "Annual General Meeting") or an extraordinary meeting (the "Extraordinary General Meeting").
2. The Annual General Meeting shall be held within six months of the end of each financial year.
3. If the Management Board fails to pass a resolution to call the Annual General Meeting before the lapse of the fifth month as from the end of the last financial year or convenes the Annual Meeting for a date later than the deadline specified in Art. 20.2, then the right to convene the Annual General Meeting shall also extend to the Supervisory Board.
4. In the event that two Annual General Meetings are called pursuant to Art. 20.3 above (one by the Management Board and the other by the Supervisory Board), only the Meeting called for the earlier of the two dates shall be held as the Annual General Meeting, and only that Meeting shall have capacity to pass resolutions of the type reserved for the Annual General Meeting.  
The Annual General Meeting called for the later date shall be held (as an Extraordinary General Meeting) only if the agenda of such General Meeting, as set by the body calling the meeting, includes matters not included on the agenda of the Annual General Meeting already held.
5. Extraordinary General Meetings shall be called by the Management Board. The Supervisory Board may call an Extraordinary General Meeting in any case where it deems it advisable. An Extraordinary General Meeting may also be called by shareholders representing at least 1/5 (one-fifth) of the share capital or at least 1/5 (one-fifth) of the total vote, in which case the shareholders shall appoint the chairperson of the Meeting.
6. A shareholder or shareholders representing at least 1/20 (one-twentieth) of the share capital may request that an Extraordinary General Meeting be called and that particular matters be included on its agenda.

The request shall be submitted to the Management Board in writing or electronically. If the Extraordinary General Meeting is not called within two weeks of submitting the request to the Management Board, the registry court may authorise the requesting shareholders to call the Meeting.

#### **Art. 21**

Unless the notice of a General Meeting specifies another venue in Poznań or in Warsaw, the General Meetings shall be held on the Company's premises in Wysogotowo.

#### **Art. 22**

1. The agenda of a General Meeting shall be determined by the Management Board or, where the Meeting is convened by the Supervisory Board or a group of shareholders pursuant to Art. 20.5, by the Supervisory Board or the convening shareholders, as appropriate.
2. A shareholder may propose changes to the agenda of a General Meeting or table draft resolutions in accordance with the rules laid down in the Commercial Companies Code.
3. (deleted).
4. The Management Board shall notify the General Meeting of the contents of each motion submitted in writing to the Management Board by even one Supervisory Board member.

#### **Art. 23**

1. General Meetings shall be called in accordance with applicable laws. In particular, as of August 3rd 2009, General Meetings of the Company as a public company shall be called by publishing a relevant notice on the Company's website and in any other form prescribed for the purposes of current disclosures under the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.
2. The notice should specify the date, time, and venue of the General Meeting and its detailed agenda. Where amendments to the Articles of Association are contemplated, the notice should also cite the sections currently in force and set out the proposed amendments.

#### **Art. 24 (deleted)**



#### **Art. 25**

1. The General Meeting shall be opened by the Supervisory Board Chairman or by another person designated by him in writing. If these persons are absent, the General Meeting may be opened by any member of the Supervisory Board, and if no member of the Supervisory Board attends the Meeting, by any member of the Management Board or an authorised person designated by the Management Board. If none of the persons referred to above is present at the Meeting, then the General Meeting shall be opened by any shareholder present representing at least 1% (one per cent) of the Company's share capital or such shareholder's proxy.
2. The General Meeting having been opened, its Chairperson shall be elected from among the persons entitled to attend it, subject to Art. 20.5 of these Articles of Association and Art. 25.3 below.
3. Where a General Meeting was called by shareholders empowered to do so by the registry court, the General Meeting shall be chaired by the person designated by the registry court.

#### **Art. 26**

1. General Meeting resolutions shall be passed by an absolute majority of votes unless mandatory provisions of law or these Articles of Association call for a qualified majority for a given resolution.
2. Resolutions concerning amendments to these Articles of Association shall be passed by a three-fourths (3/4) majority of votes, with the proviso that any amendments to these Articles of Association granting personal rights shall require a prior written consent of the entitled person.
3. A resolution to lease the business or its organised part and to create limited property rights therein shall be passed by a three-fourths (3/4) majority of votes.
4. A resolution concerning purchase or acquisition of shares issued by the Company and the Company's financing of such purchase or acquisition shall be passed by a three-fourths (3/4) majority of votes.
5. A resolution concerning share cancellation shall be passed by a three-fourths (3/4) majority of votes.
6. A resolution concerning merger, demerger or transformation of the Company shall be passed by a three-fourths (3/4) majority of votes.
7. A resolution concerning the execution of an agreement referred to in Art. 7 of the Commercial Companies Code shall be passed by a three-fourths (3/4) majority of votes.
8. A resolution concerning a material change of the object of the Company's business shall be passed by a three-fourths (3/4) majority of votes, with shareholders representing at least half of the share capital present.

9. A resolution concerning dissolution of the Company, as referred to in Art. 397 of the Commercial Companies Code, shall be passed by a three-fourths (3/4) majority of votes, with shareholders representing at least half of the share capital present.
10. Acquisition or disposal of property, a perpetual usufruct right or interest in property shall not require the General Meeting's approval.
11. The General Meeting may pass resolutions if at least one-third (1/3) of the share capital is represented at the Meeting.
12. A shareholder granted personal rights under these Articles of Association shall not exercise voting rights from shares representing more than 23.61% of the total vote at the Company's General Meeting. The restriction stipulated in the preceding sentence shall expire with the end of the seventeenth (17th) day after the conversion into book-entry form (within the meaning of the Act on Trading in Financial Instruments dated July 29th 2005) of all Series H shares issued by the Company by the date of the conversion, in connection with the admission of the shares to trading on the main market of the WSE (within the meaning of the Rules of the Warsaw Stock Exchange), referred to in Art. 27.7.c) of these Articles of Association.

#### **Art. 27**

1. Shareholders may participate in the General Meeting and exercise their voting rights in person or by proxy.
2. One proxy may represent several shareholders.
3. Shareholders may attend General Meetings via electronic means of communication. Decisions regarding the use of such systems and the use of electronic means of communication during the General Meeting shall each time be taken by the Management Board.

#### **Art. 28**

The following matters shall be subject to resolutions of the General Meeting:

- 1) review and approval of the full-year financial statements of the Company and the Directors' Report on the Company's operations for the previous financial year,
- 2) approval of discharge of duties by members of the Supervisory Board and Management Board,
- 3) distribution of profit or determination of the loss coverage method,
- 4) any decisions with respect to claims for redress of damage inflicted in the course of establishing the Company, its management or supervision,
- 5) sale or lease of the business or of its organised part or making it available for use by a third party,

- 6) issue of bonds convertible into shares and bonds conferring pre-emptive rights,
- 7) defining the rules and amounts of remuneration of the Supervisory Board Members,
- 8) appointment and removal of Supervisory Board members, subject to the provisions of Art. 29.2.1) of these Articles of Association,
- 9) setting the dividend record date,
- 10) establishment, each use, and liquidation of the capital reserve.

## **B. Supervisory Board**

### **Art. 29**

1. The Supervisory Board shall be composed of at least 5 (five) and not more than 7 (seven) members appointed for a joint term of office.
2. The Supervisory Board shall be appointed in the following way:
  - 1) 2 (two) members of the Supervisory Board shall be appointed and removed from office by the Entitled Founder,
  - 2) the other Supervisory Board members shall be appointed and removed from office by the General Meeting.
3. If a seat on the Supervisory Board becomes vacant causing the number of Supervisory Board members to fall below 5 (five):
  - a. with respect to a Supervisory Board member appointed and removed from office by the Entitled Founder – the Entitled Founder's failure to fill the vacancy within 3 (three) months of the date when the vacancy arose shall cause the right to appoint that Supervisory Board member to be transferred to the General Meeting,
  - b. with respect to a Supervisory Board member appointed and removed from office by the General Meeting – the General Meeting's failure to fill the vacancy within 3 (three) months of the date when the vacancy arose shall cause the right to appoint that Supervisory Board member to be transferred to the Entitled Founder.
4. The personal rights referred to in Art. 29.2.1) and Art. 29.3.2) shall be exercised by delivery to the Company of a written statement on appointment or removal from office of a Supervisory Board member.
5. The number of Supervisory Board members shall be determined by the General Meeting always in compliance with the limits specified in Art. 29.1 above. However, in the case of the block voting in accordance with Art. 385.3 of the Commercial Companies Code, the Supervisory Board shall comprise seven members.

6. Only a natural person with full legal capacity may be a Supervisory Board member.
7. The term of office of the Supervisory Board shall be 3 (three) years.
8. Where a Supervisory Board member is appointed in the course of a term of office, such Supervisory Board member shall be appointed for a period expiring at the end of that term.
9. The mandates of Supervisory Board members expire on the date of the General Meeting convened to approve the financial statements for the last full financial year of the members' service.
10. Supervisory Board Members may be re-appointed.
11. Supervisory Board members may be removed by the General Meeting at any time, subject to Art. 29.2.1) above.
12. As long as the Supervisory Board consists of at least 5 (five) members, the Supervisory Board shall have the capacity to perform all acts prescribed by law and these Articles of Association.
13. The Supervisory Board should also include independent members, with the number of such independent members and relevant independence criteria determined on the basis of applicable laws or corporate governance principles applicable to public companies.
14. Candidates for the position of the Supervisory Board member satisfying the criteria specified in Art. 29.13 above may be nominated by shareholders present at the General Meeting whose agenda includes election of the Supervisory Board member referred to in Art. 29.13 above. Nominations shall be submitted in writing to the Chairman of the General Meeting along with a written declaration by the candidate to the effect that he or she agrees to stand for the election and satisfies the criteria referred to in Art. 29.13 above. If no nominations are submitted by shareholders as provided for in the preceding sentence, candidates to the Supervisory Board satisfying the criteria referred to in Art. 29.13 above shall be proposed by the Chairman of the Supervisory Board. The Entitled Founder shall not have the right to propose candidates for the position of the Supervisory Board member referred to in Art. 29.13 above.
15. All the personal rights granted to the Entitled Founder by these Articles of Association, including the personal rights referred to in Art. 29.2.1 1) above, Art. 30.1 and Art. 30.4 of these Articles of Association and Art. 50.3.1 of these Articles of Association, shall expire if, within 12 (twelve) weeks of the Date when the Decision to Approve the Arrangement Becomes Final, all the bearer bonds issued by the Company in connection with the Arrangement (the "Bonds") that have been subscribed for by the Company's arrangement creditors are not entered into the register, unless the Bonds are

not entered into the register within the deadline specified above due to failure to execute a correct instruction placed by the Company and delivered to the entity operating the Bond register.

16. As of the date of expiry of the personal rights granted to the Entitled Founder, the powers of the Chairman of the Supervisory Board specified in Art. 37 of these Articles of Association shall also expire. Following expiry of the powers of the Chairman of the Supervisory Board specified in the preceding sentence, all members of the Management Board shall be appointed and removed from office by the Supervisory Board.

#### **Art. 30**

1. The Chairman of the Supervisory Board shall be appointed by the Entitled Founder, also when the Supervisory Board is appointed by block voting in accordance with Art. 385.3 of the Commercial Companies Code.
2. The Supervisory Board shall appoint from among its members a Deputy Chairman and a Secretary.
3. The Deputy Chairman and the Secretary may be removed from these functions at any time by a resolution of the Supervisory Board; such removal shall not result in the loss of the Supervisory Board member's mandate. The Supervisory Board shall not have the right to remove from office or suspend the Chairman of the Supervisory Board appointed by the Entitled Founder.
4. The Chairman of the Supervisory Board may be removed from this function at any time by the Entitled Founder; such removal shall not result in the loss of the Supervisory Board member's mandate.
5. The rights referred to in Art. 30.1 and Art. 30.4 above shall be exercised by delivery to the Management Board of a written statement on appointment or removal from office of the Chairman of the Supervisory Board.

#### **Art. 31**

1. Supervisory Board meetings shall be held at least once every quarter and shall be called by the Supervisory Board Chairman acting of his own accord or pursuant to a motion by the Management Board or by a Supervisory Board member, submitted along with the proposed agenda. Each member of the Supervisory Board may convene a Supervisory Board meeting upon occurrence of any of the events referred to in Art. 37.4 or Art. 37.7a)-c) of these Articles of Association.
2. In the event that the Supervisory Board Chairman does not call a Supervisory Board meeting within two weeks following receipt of the motion, the party submitting the motion may proceed to call such a meeting in its own name, specifying the date, venue, and the proposed agenda.

### **Art. 32**

1. Supervisory Board resolutions may be passed if at least half of all Supervisory Board members are present at the meeting, and all members have been notified of the meeting.
2. Notices setting out the meeting agenda and specifying the date and venue of the meeting should be sent by registered post at least 14 (fourteen) days prior to the Supervisory Board meeting to the addresses given by the Supervisory Board members. In emergencies, Supervisory Board meetings may be called by telephone, facsimile, or by email at least 1 (one) day prior to the meeting. Supervisory Board meetings may also be called using other means provided for in the Rules of Procedure for the Supervisory Board.
3. The agenda shall be set, and the notices shall be signed, by the person authorised to call Supervisory Board meetings.
4. The Chairperson of the Board shall place on the agenda every motion submitted by the Management Board or by a Supervisory Board Member.
5. Supervisory Board meetings shall be chaired by the Chairperson of the Board or, in the event of their absence, by the Deputy Chairperson of the Board.
6. The Supervisory Board may not pass resolutions on issues not included on the agenda unless all the Supervisory Board Members are in attendance and agree to the passing of such resolution.
7. The Supervisory Board may also pass resolutions without a formal notice of the session if all the Supervisory Board members are in attendance and have consented to holding the session and to the inclusion of specific issues on its agenda.
8. Unless these Articles of Association provide otherwise, Supervisory Board resolutions shall be passed by an absolute majority of the votes cast. In the event of a tied vote, the Supervisory Board Chairman shall have the casting vote.
9. Supervisory Board resolutions may be passed without holding a meeting, in writing or with the use of means of remote communication. A resolution shall be valid if all Supervisory Board Members have been presented with the draft. This procedure shall not apply to resolutions on appointment, removal or suspension of Management Board members.

### **Art. 33**

1. Supervisory Board members may exercise their powers and discharge their duties on the Supervisory Board in person only.

2. Supervisory Board members may, however, participate in the adoption of Supervisory Board resolutions by casting their votes in writing through the intermediation of another Supervisory Board member.
3. The Supervisory Board may entrust the performance of specific tasks to specific members, and it may use the services of outside experts.

#### **Art. 34**

The Supervisory Board is obligated and authorised to exercise continuous supervision over the Company's activities in all areas of its operations.

#### **Art. 35**

1. The Supervisory Board may suspend individual Management Board members or all Management Board members for valid reasons.
2. The Supervisory Board may assign its members to temporarily substitute for Management Board members who have been suspended by the Supervisory Board or who may not discharge their duties for other reasons.
3. In the period referred to in Art. 37.7 of these Articles of Association, the passing of a resolution to suspend Management Board members and assign Supervisory Board members to temporarily substitute for Management Board members shall require the consent of the Supervisory Board members appointed pursuant to Art. 29.2.1) of these Articles of Association, without prejudice to the provisions of Art. 29.15-16 and Art. 37.7.a)-b) of these Articles of Association.

#### **Art. 36**

1. The Supervisory Board's powers shall include:
  - a) approval of acquisition of a business or of an organised part of business;
  - b) issuing opinions on sale or lease of the Company's business or its organised part, or creation of any usufruct rights therein, or assumption of an obligation to dispose of or encumber the Company's business or an organised part of the Company's business;
  - c) approval of sale, encumbrance or any other disposal of, or assumption of an obligation to sell, encumber or otherwise dispose of, any real property or perpetual usufruct right to, or interest in, any real property;
  - d) approving sale, encumbrance or disposal of, or assuming an obligation to sell, encumber or dispose of, any of the Company's assets, including any equity interests or shares in companies or any other securities with a market or book value exceeding PLN 10,000,000 (ten million złoty);

- e) approval of application of proceeds from divestment of assets – in accordance with the restructuring plan adopted by the Company in connection with the arrangement entered into in the course of the proceedings initiated with respect to the Company by a decision of the District Court of Poznań-Stare Miasto in Poznań, 11th Commercial Insolvency and Arrangement Division, of June 13th 2012, to declare the Company insolvent in voluntary arrangement – towards the financing of projects expected to yield a gross margin of less than 5% (five per cent);
- f) approving sale, encumbrance (including with a property right or lease) or disposal of, or assuming an obligation to sell, encumber (including with a property right or lease) or dispose of, any shares in the following companies:
  - i. RAFAKO SA,
  - ii. Multaros Trading Company Limited of Cyprus,
  - iii. PBG Dom sp. z o.o.,
  - iv. PBG oil and gas Sp. z o.o.,
  - v. Wschodni Invest sp. z o.o.,
  - vi. PBG ERIGO sp. z o.o.,
  - vii. any company which is the owner or a perpetual usufructuary of a real property with a value in excess of PLN 5,000,000 (five million złoty), and
  - viii. any company which is a shareholder in a company referred to in item vii above;
- g) approval of exercise by the Company of rights attached to shares in any of the companies specified in Art. 36.1.f) above,
- h) approval of any steps to be taken by the Company which would result in, or which are taken with a view to, losing its status of the parent in relation to any of its subsidiaries;
- i) approval of acquisition by the Company, or assumption by the Company of an obligation to acquire, any assets, including real property, shares in companies or other securities with a market or book value exceeding PLN 20,000,000 (twenty million złoty);
- j) approval of repurchase by the Company of its own shares and definition of key terms and conditions of repurchase of its own shares in cases specified in Art. 362.1.1 of the Commercial Companies Code;



- k) issuing opinions on repurchase by the Company of its own shares in cases specified in Art. 362.1.2) of the Commercial Companies Code;
- l) approval of issuance by the Company of any securities other than shares and bonds convertible into shares or conferring pre-emptive rights;
- m) issuing opinions on issuance by the Company of shares and bonds convertible into shares or conferring pre-emptive rights;
- n) approval of accession to, or execution, amendment, dissolution, termination or rescission of, any contract by the Company where:
  - i. the value or amount of contract-related liabilities of any party to such contract exceeds PLN 50,000,000 (fifty million złoty); or
  - ii. the value of goods or works to be provided by any party to such contract exceeds PLN 50,000,000 (fifty million złoty); or
  - iii. the aggregate value or amount of liabilities of any party to such contract and liabilities under a contract(s) concluded within the 2 (two) preceding years with the same trading partner or parties related to that partner exceeds PLN 50,000,000 (fifty million złoty); or
  - iv. the aggregate value of goods or works to be provided by any party to such contract and under a contract(s) concluded within the 2 (two) preceding years with the same trading partner or parties related to that partner exceeds PLN 50,000,000 (fifty million złoty); or
- o) approval of assumption by the Company of any monetary liability (including a contingent liability) where the principal amount (whether individually or in aggregate) of such liability in a calendar year exceeds PLN 20,000,000 (twenty million złoty), or change of the terms of such liability other than a reduction of its amount, and in particular:
  - i. taking out a loan, concluding a lease or factoring agreement or executing any other debt instrument, where the principal amount of such loan, lease, factoring or other debt instrument exceeds PLN 20,000,000 (twenty million złoty), and
  - ii. arranging a letter of credit, bank guarantee or insurance guarantee with the principal amount exceeding PLN 20,000,000 (twenty million złoty) or extending the term of such letter of credit or guarantee;

- p) approval of issuance, amendment or termination by the Company of any guarantee agreement, surety agreement, debt accession agreement, assumption of an off-balance-sheet obligation, as well as issuance of a promissory note or cheque, endorsement or guarantee of a promissory note or cheque, excluding transactions related to or resulting in the creation of debt or liability whose value in a calendar year, whether individually or in aggregate, does not exceed PLN 10,000,000 (ten million złoty);
  - q) approval of acknowledgement of a claim, release from debt, waiver of a claim, or entry into settlement, excluding transactions related to debts or claims whose value in a calendar year, whether individually or in aggregate, does not exceed PLN 10,000,000 (ten million złoty);
  - r) approving opening or closing of Company branches in Poland and abroad,
  - s) approving execution, amendment or termination by the Company of a material agreement with its related party (other than any company of the Company's group),
  - t) approving execution, amendment or termination of any agreement between the Company and a Company shareholder holding 20% (twenty percent) or more of the Company shares or such shareholder's related party;
  - u) approval of execution, amendment or termination by the Company of any agreement with a Supervisory or Management Board member or such member's related party;
  - v) approval of conduct by members of the Management Board of any business activities competing with the Company's business and participation in competing companies as a partner or member of their governing bodies;
  - w) approval of payment of interim dividends to shareholders.
2. As of the Date of the Decision Sanctioning the Arrangement Becoming Final, the powers and responsibilities of the Supervisory Board shall further include without limitation:
- a) appointment of the auditor;
  - b) acting on behalf of the Company in agreements and disputes between the Company and Management Board members;
  - c) approval of the Rules of Procedure for the Management Board and the Rules of Procedure for the Supervisory Board;
  - d) appointment and removal of Management Board members, subject to the provisions of Art. 37 of these Articles of Association,

- e) issuing opinions on matters submitted by the Management Board.

### **C. Management Board**

#### **Art. 37**

1. The Management Board shall be composed of 3 (three) members, including: The President of the Management Board and at least one Vice President of the Management Board, with the proviso that in the period referred to in Art. 37.7 of these Articles of Association the Management Board shall be composed of three (3) to five (5) members.
2. Members of the Management Board shall be appointed for a joint term of office.
3. Subject to the provisions of Art. 37.7 of these Articles of Association, the President of the Management Board shall be appointed and removed by the Chairman of the Supervisory Board. This right shall be exercised by delivery to the Company of a written statement of appointment or removal of the President of the Management Board.
4. Subject to the provisions of Art. 37.7 of these Articles of Association, if any of the following occurs:

- a) The President of the Management Board acts in breach of these Articles of Association or any of the following provisions of the Commercial Companies Code where they refer to the Management Board: Art. 17, Art. 345, Art. 359, Art. 362, Art. 363, Art. 366, Art. 377, Art. 380, Art. 390, Art. 395, Art. 399, Art. 400, Art. 401.2, Art. 428, Art. 430.2, Art. 452.2 or Art. 452.4, or provides false information in the statement referred to in Art. 310.2, Art. 320.1.3 and Art. 441.2.5 of the Commercial Companies Code,
- b) The President of the Management Board is found guilty under a court's decision of inflicting damage on the Company, or
- c) in accordance with the terms and conditions of the Bonds, any event occurs (howsoever defined) triggering early redemption of the Bonds, which continues and is not waived by the Meeting of Bondholders, or any event occurs triggering immediate redemption of the Bonds,

then the Supervisory Board may remove the President of the Management Board and appoint a new President of the Management Board, with the proviso that over the period from any Supervisory Board member's becoming aware of the occurrence of any of the events referred to in items a)–c) above until (and including) the day following the day on which the Supervisory Board holds the meeting whose agenda includes removal of the President of the Management Board upon occurrence of any of the events referred to in items a)–c) above, the Chairman of the Supervisory Board shall not exercise the right referred to in Art. 37.3 of these Articles of Association. The Chairman of the Supervisory Board shall not have the right to remove the President of the Management Board appointed by

the Supervisory Board in accordance with this Art. 37.4.

5. Subject to the provisions of Art. 37.7 of these Articles of Association, the Supervisory Board shall appoint and remove the other two members of the Management Board, with the proviso that one member of the Management Board shall be appointed from among candidates nominated by the Chairman of the Supervisory Board.
6. To secure candidates for a Management Board member, the Chairman of the Supervisory Board may request the Supervisory Board to approve the employment by the Company of external advisers providing services related to recruitment of management staff, working with reputed firms operating on the international market. The Supervisory Board shall select the adviser (advisers) from among the persons proposed by the Chairman of the Supervisory Board, by an absolute majority of votes. The Company shall enter into an agreement with the advisers specified in the Supervisory Board's resolution and shall pay them fees not exceeding reasonable market rates.
7. For a period of 3 (three) years following the date when the court's decision to approve the arrangement (the "Arrangement") – concluded in the course of the proceedings initiated against the Company by way of a decision of the District Court of Poznań-Stare Miasto in Poznań, 11th Commercial Insolvency and Arrangement Division, of June 13th 2012, to declare the Company insolvent in voluntary arrangement – becomes final (the "Date of the Decision Sanctioning the Arrangement Becoming Final"), neither the President of the Management Board nor any other member of the Management Board appointed under Art. 50 of these Articles of Association may be removed from office by the Supervisory Board without prior written consent of the Chairman of the Supervisory Board, unless:
  - a) the President or such other member of the Management Board commits an offence which prevents him or her from performing the duties of a Management Board member, provided that the offence is evident or has been confirmed by a court verdict, or acts in breach of these Articles of Association or any of the following provisions of the Commercial Companies Code where they refer to the Management Board: Art. 17, Art. 345, Art. 359, Art. 362, Art. 363, Art. 366, Art. 377, Art. 380, Art. 390, Art. 395, Art. 399, Art. 401.2, Art. 428, Art. 430.2 and Art. 452.2 and 4, or provides false information in the statement referred to in Art. 310.2, Art. 320.1.3 and Art. 441.2.5 Commercial Companies Code, or is found guilty under a court's decision of inflicting damage on the Company – in which case a new President and other members of the Management Board who are to replace the Management Board members removed from office by the Supervisory Board shall be appointed from among the candidates nominated by the Chairman of the

Supervisory Board. If, within 14 days of the date on which the Supervisory Board passes a resolution to remove the President of the Management Board or any other member of the Management Board, the Chairman of the Supervisory Board fails to present to the Supervisory Board at least two candidates who have consented in writing to being appointed to the Management Board, for each vacated seat on the Management Board, a new President and other members of the Management Board replacing the removed Management Board members shall be appointed by the Supervisory Board. If the Supervisory Board fails to appoint a new President of the Management Board or other member of the Management Board within 14 days of the date on which the Chairman of the Supervisory Board presents at least two candidates for each vacated seat on the Management Board, the right to appoint them shall be transferred to the Chairman of the Supervisory Board,

- b) The Bonds are not entered into the Register within 6 (six) weeks of the Date of the Decision Sanctioning the Arrangement Becoming Final – in which case the Supervisory Board may remove the President of the Management Board or any other member of the Management Board and appoint new Management Board members (including the President), replacing the Management Board members whose mandates have expired, for a joint term of office of up to 6 (six) weeks as of the effective date of the relevant Supervisory Board resolution;
- c) conversion into book-entry form (within the meaning of the Act on Trading in Financial Instruments of July 29th 2005) of all Series H shares issued by the Company by the date of conversion into book-entry form, performed in connection with their admission to trading on the main market (within the meaning of the Rules of the Warsaw Stock Exchange), is not completed by September 30th 2017 – in which case the Supervisory Board may remove the President of the Management Board or any other member of the Management Board and appoint new Management Board members (including the President), replacing the Management Board members whose mandates have expired, for a joint term of office of up to 3 (three) months as of the effective date of the relevant Supervisory Board resolution.

The Chairman of the Supervisory Board shall not have the right to remove the President of the Management Board or other members of the Management Board appointed by the Supervisory Board in accordance with this Art. 37.7.a), b) or c) until the end of the term of office. Upon expiry of the mandates of the Management Board members appointed in accordance with this Art. 37.7.a), b) or c), and with respect to other Management Board members for a period of 3 (three) years following the Date when the Decision to Approve the Arrangement Becomes Final, the right to appoint and remove Management Board members,

- including the President, shall rest with the Chairman of the Supervisory Board.
8. Only natural persons with full legal capacity may become members of the Management Board.
  9. The President of the Management Board shall designate between one and two Vice-Presidents from among the other Management Board members. The Vice-Presidents may be removed from their functions at any time by the President of the Management Board; such removal shall not result in the loss of the Management Board member's mandate.
  10. The term of office of the Management Board shall be 3 (three) years, subject to the provisions of Art. 37.7.b) and Art. 37.7.c).
  11. If appointed during a term of office, a member of the Management Board remains in office until the expiry of this term of office.
  12. The mandates of Management Board members shall expire on the day of the General Meeting approving the financial statements for the last full financial year of the Management Board members' service.
  13. Management Board members may be re-appointed for subsequent terms.
  14. As long as the Management Board consists of at least 3 (three) members, the Management Board shall have the capacity to perform all acts prescribed by law and these Articles of Association.
  15. Subject to the provisions of Art. 37.9 above, Management Board members shall be appointed for successive terms of office and removed in line with Art. 37.1 and Art. 37.2 above.

#### **Art. 38**

1. Declarations and signature on behalf of the Company shall require joint action by two members of the Management Board.
2. Declarations to the Company and documents served on the Company may be addressed to the Management Board President or to a Management Board member.

#### **Art. 39**

Notwithstanding other limitations, a Management Board resolution shall also be required where, prior to attending to a given matter, at least one Management Board member objected to that matter being entrusted to another Management Board member.

#### **Art. 40**

1. The Management Board shall manage the Company's operations by passing resolutions on all matters not reserved for the General Meeting or for the Supervisory Board.
2. Management Board meetings shall be called by the Management Board President whenever he deems it advisable.

3. The manner of calling a Management Board meeting shall always be decided upon by the Management Board President.
4. It shall be sufficient if the invitation to the meeting specifies the date, time, venue, and subject matter of the meeting.
5. A Management Board meeting may also take the form of a conference call.
6. Management Board meetings shall be chaired by the Management Board President; in the President's absence, Management Board meetings shall be chaired by a Management Board member designated by him.
7. Management Board resolutions shall be passed by a simple majority of votes. In the event of a tied vote, the Management Board President shall have the casting vote.
8. Appointment of a Proxy shall require a resolution passed unanimously by all the Management Board members; a power of proxy may be revoked by any Management Board member acting on his own.
9. Detailed rules governing operation of the Management Board shall be defined in the Rules of Procedure for the Management Board adopted by the Management Board and approved by the Supervisory Board.

## **V. Accountancy of the Company**

### **Art. 41**

The Company's equity shall comprise:

- 1) share capital,
- 2) reserve funds,
- 3) capital reserves.

#### **Art. 42**

The reserve funds shall be created from:

- a) contributions corresponding to at least 8% (eight per cent) of the profit for a given financial year, until the reserve funds reach at least 1/3 (one-third) of the share capital,
- b) share premiums remaining after covering issue costs,
- c) additional contributions made by shareholders in consideration for attaching special rights to their existing shares, unless such contributions are allocated to cover extraordinary write-offs or losses.

Use of the reserve funds shall be decided upon by the General Meeting, with the reservation that the part of the reserve funds corresponding to one-third of the share capital may be used exclusively to cover balance-sheet losses.

#### **Art. 43**

1. Capital reserves may be established for specific purposes, if necessary.
2. Establishment of a capital reserve, any use thereof, and liquidation of the reserve shall be decided upon by the General Meeting.

#### **Art. 44**

1. Allocation of the profit shall be decided upon by the General Meeting. The profit remaining after mandatory contributions shall be allocated, in the first place, to cover losses brought forward where the reserve funds were not sufficient to cover these losses.

#### **Art. 45**

Where, pursuant to a General Meeting resolution, a dividend is to be paid to the shareholders, the resolution should specify the dividend record date and the dividend payment date.

#### **Art. 46**

The Management Board shall submit the full-year financial statements and the Directors' Report on the Company's operations to the Supervisory Board after the statements have been audited, not later than five months after the end of the financial year.



## **VI. Dissolution and liquidation of the Company**

### **Art. 47**

1. In the event of the Company's liquidation, the Management Board President or a person appointed by the General Meeting shall be the liquidator.
2. Powers and duties of liquidators shall be subject to the relevant laws and the provisions of these Articles of Association applicable to the Management Board.
3. During liquidation, the powers and duties of the other governing bodies of the Company shall remain unchanged.

### **Art. 48**

Assets remaining after satisfaction of the Company's creditors shall be divided among the shareholders in proportion to their contributions towards the share capital.

## **VII. Final provisions**

### **Art. 49**

Matters not addressed in these Articles of Association shall be governed by pertinent provisions of the law, in particular by the Commercial Companies Code.

## **VIII. Transitional provisions**

### **Art. 50**

1. Upon registration of the Articles of Association amended as per Resolution 3/2015 of the Extraordinary General Meeting of July 31st 2015 (the "Registration Date"), the mandates of existing Supervisory Board members shall expire, and the current term of office shall be shortened.
2. The Supervisory Board appointed for the new term of office shall consist of seven members.
3. The first Supervisory Board members serving after the Registration Date shall be appointed for the new three-year term of office in the following manner:
  - 1) 2 (two) Supervisory Board members shall be appointed by the Entitled Founder, who shall also designate one of them as the Chairman,
  - 2) other members of the Supervisory Board shall be appointed by the Security Agent acting on behalf of the Financial Creditors (within the meaning of the Restructuring Agreement) ("**Agent**").
4. The right to appoint Supervisory Board members referred to in Art. 50.2 above shall

- be exercised by delivery to the Company of a written statement on appointment of Supervisory Board members within 3 (three) days of the Registration Date.
5. If the Agent does not appoint Supervisory Board members in the manner referred to in Art. 50.3 above and within the time limit set in Art. 50.4 above, the right to appoint those Supervisory Board members shall be transferred to the Entitled Founder.
  6. If the Entitled Founder does not appoint Supervisory Board members in the manner referred to in Art. 50.3 above and within the time limit set in Art. 50.4 above, the right to appoint those Supervisory Board members shall be transferred to the Agent.
  7. 5 (five) days after the Registration Date, the mandates of existing Management Board members shall expire, and their term of office shall be shortened.
  8. The Management Board appointed for the new term of office shall consist of three to five members.
  9. The first President of the Management Board and the first Management Board members serving after the Registration Date shall be appointed for the new, three-year term of office by the Entitled Founder.
  10. The right to appoint Management Board members referred to in Art. 50.9 shall be exercised by delivery to the Company of a written statement on appointment of Management Board members.
  11. Subsequent Supervisory and Management Board members shall be appointed and removed in line with Art. 29, Art. 30 and Art. 37 of the Articles of Association. The Entitled Founder shall not have the right to remove members of the Supervisory Board appointed by the Agent or by the General Meeting.