THE ARTICLES OF
ELEKTROBUDOWA SA
with the registered office in Katowice

I. GENERAL PROVISIONS

§ 1.

1. The business name of the Company is: ELEKTROBUDOWA Spółka Akcyjna [ELEKTROBUDOWA Joint Stock Company]
2. The Company may use the abbreviated business name ELEKTROBUDOWA SA and its specific graphic trade mark.

§ 2.

The seat of the Company is the City of Katowice.

§ 3.

The State Treasury is the founder of the Company.

§ 4.

1. The Company operates within the territory of Poland and abroad.
2. The duration of the Company is unspecified.
3. On the area of its operation the Company can establish and liquidate territorially and materially organized enterprises, plants, branches, offices, representations, subsidiaries, it can join other companies, as well as participate in other organizational undertakings.

II. THE SCOPE OF ACTIVITIES OF THE COMPANY

§ 5.

The scope of activities of the Company consists in manufacturing and sale of power industry equipment and providing complex services in the field of designing wiring systems and electric systems, procurement, trade turnover, supervision, electric, control and guarantee measurements, start-up and operation of electrical power and automatic control equipment, service repairs, organization and conducting specialist training, and in particular:

1. Services in the field of installation, repair, maintenance and rewinding of electric motors, generators and transformers; PKD 31.10. B Production of switchgears and control gears, except services PKD 31.20. A
2. Services in the field of installation, repair and maintenance of switchgear and controlgear; PKD 31.20. B
3. Manufacturing of insulated wires and conductors; PKD 31.30. Z
4. Manufacturing of electric equipment, not classified elsewhere, except services; PKD 31.62. A
5. Service of installation, maintenance and repair of measurement, control, testing, navigation, instruments and equipment; PKD 33.20.B –
6. Production of system for control of industrial processes; PKD 33.30.Z.
7. Preparing the ground for construction works; PKD. 45.1

8. Construction of complete structures or their parts; civil engineering; PKD 45.2
9. Making building installations; PKD. 45.3
10. Execution of finishing construction works; 45.4
11. Activities in the field of computer software; PKD 72.2
12. Development of software applications; PKD 72.30.Z
13. Leasing real property on own account; PKD 70.20. Z
14. Leasing construction machines and equipment; PKD 71.32. Z
15. Leasing other machines and equipment; PKD 71.34. Z
16. Research and development works in the field of technical sciences; PKD 73.10. G
17. Activities in the field of building design, town planning and technological design; PKD 74.20. A

§ 6.

Changes in objects of the activity of the Company can take place without an obligation to buy out shares.

III. THE SHARE CAPITAL

§ 7.

1. The share capital of the Company amounts to 8,948,266 (eight million nine hundred forty eight thousand two hundred and sixty six) PLN.
2. The shares issued as a result of transformation of a state-owned enterprise into a joint stock company ELEKTROBUDOWA SA are marked as shares of A series, while shares of next issues shall be marked with next letters of alphabet.
3. The share capital consists of 4,220,096 (four million two hundred and twenty thousand and ninety six) shares paid up in cash, of nominal value of 2 (two) PLN each:
   series A – numbers: 00 000 0001 to 00 32 48 750
   series B – numbers: 00 32 48 751 to 00 39 71 000
   series C – numbers: 00 39 71 001 to 00 42 20 096.
4. Shares of the Company are bearer shares and will not be converted into registered shares.
5. The Company can acquire own shares in order to redeem them.
6. Shares may be redeemed, by a resolution of General Meeting of Shareholders, upon a shareholder's consent, through the acquisition by the company (voluntary redemption).
7. Redemption of shares, with reservation of p. 9, requires a resolution of the General Meeting. The resolution should specify in particular legal grounds for redemption, the amount due to the shareholder for the redeemed shares or reasons for redeeming the shares without any payments to the shareholder, as well as the manner of reducing the share capital.
8. Redemption of shares shall require a reduction in the share capital. Subject to p. 9 below, a resolution on reduction in the share capital shall be adopted by the same general meeting, which adopted the resolution on redemption of shares.
9. The Management Board, without convening the general meeting, shall immediately redeem:
   a) shares acquired in breach of the provisions of art. 362 § 1 or § 2 of the Code of Commercial Companies, which were not disposed of within one year of the acquisition thereof by the company,
   b) the remaining part of own shares of the Company in excess of 10% of the share capital, not disposed of within two years of the acquisition thereof.

§ **8.**

The Company may issue bonds convertible into shares.

IV. AUTHORITIES OF THE COMPANY

§ **9.**

The authorities of the Company are:
A. the Management Board
B. the Supervisory Board
C. the General Meeting of Shareholders

A. MANAGEMENT BOARD

§ **10.**

1. The Management Board consists of 3 (three) to 7 (seven) people for three-year term of office. The Management Board is composed of President, Vice-President(s) and Members of the Management Board. Members of the Management Board are appointed for common term of office. Mandate of a Member of the Board appointed prior to the lapse of a given term of office of the management board shall expire at the same time as mandates of the remaining members of the board.
2. Number of members of the Management Board is specified by the Supervisory Board.
3. The Supervisory Board appoints President of the Management Board, and on his request - remaining Members of the Board.
4. A Member of the Management Board or the whole Management Board may be dismissed by the Supervisory Board before the end of the term of office. A Member of the Management Board may be dismissed or suspended also by a General Meeting.

§ **11.**

1. The Management Board shall manage the affairs of the Company and represents the Company. The Management Board holds meetings presided by its President.
2. The Management Board operates on the basis of the regulations prepared by them and approved by the Supervisory Board.
3. President of the Management Board is also Director of the Company.
4. Resolutions of the Management Board are adopted by absolute majority of votes. In case of equal number of votes President of the Management Board has got a decisive vote.
5. All matters that are not reserved for General Meeting of Shareholders or the Supervisory Board fall within the competence of the Management Board.

§ **12.**

1. Two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy are authorized to represent the Company.
2. The Management Board may grant commercial proxy with prior consent of the Supervisory Board.
3. Proxies acting independently within their authorizations may be appointed for performing actions of specific character or kind.
4. The Management Board may appoint a proxy (proxies) for performing actions on behalf of the Company connected with employment relations.

§ **13.**

In a contract between the Company and a Member of the Management Board , as well as in dispute with him, the Company shall be represented by the Supervisory Board or a proxy appointed by a resolution of the general meeting.

B. THE SUPERVISORY BOARD

§ **14.**

1. The Supervisory Board is composed of 5 (five) to 7 (seven) members, including the Chairman and his Deputy. Members of the Supervisory Board are appointed by General Meeting of Shareholders for a joint term of office of the Board
2. The term of office of the Supervisory Board is three years.
3. Members of the Supervisory Board shall elect from among themselves the Chairman, and on his motion - the Deputy Chairman.
4. At least half of the positions in the Supervisory Board shall be filled by independent members, i.e. natural persons who meet the criteria set forth in p. 6.
5. Independent members of the Supervisory Board shall have no relations with the Company or its Shareholders or employees, which relations could have significant impact on the ability of the independent member to make impartial decisions.
6. A Member of the Supervisory Board shall be deemed independent if he meets the following criteria:
   a) is not a shareholder of the Company, does not sit in the managing or supervising bodies of the entity which holds shares in the Company, and is not bound with the Company shareholder by a contract of employment or any other civil law contract;
   b) is not employed by the Company, is not bound with the company by a civil law contract, does not receive any remuneration from the Company except remuneration for fulfilment of his duties of the Supervisory Board Member, and is not covered by the Company's incentive programmes;
   c) is are not a close person for a member of the Company's managing body, a holder of the commercial power of attorney, its employee on the position of a director or higher, or for a shareholder of the Company who is a natural person and holds 5% or more of the Company shares. Close persons are: a spouse, siblings, ascendants, descendants, stepparents, adoptees, adopters, a daughter-in-law, a son-in-law and a common-law husband or wife. Close relationship does not cease notwithstanding termination of marriage or dissolution of adoptive relationship which justify the relationship.
7. Independent members of the Supervisory Board are bound to provide the Company with a written statement of compliance with the criteria set forth in p. 6. The statement must include a commitment to immediately inform the Company about a loss of features described in p. 6 letters a) to c) above. As soon as the Company receives such information it shall be made public. The Company shall announce the composition of the Supervisory Board, specifying the names of independent members.
8. In case of resignation or death of a member of the Supervisory Board the vacancy shall be filled for the period remaining until the end of the term of office of the Supervisory Board.

§ **15.**

1. Chairman of the Supervisory Board convenes and presides over meetings of the Supervisory Board and manages its works. Chairman of the Supervisory Board may, for the period not longer than 6 months, entrust Deputy Chairman with performing his function.
2. Meetings of the Supervisory Board must be convened at least once in every calendar quarter. Supervisory Board shall adopt resolutions if at least one-half of its members are present at the meeting and all its members have been duly invited to the meeting.

Members of the Supervisory Board may participate in adopting resolutions of the Board by casting their votes in writing through another member of the Supervisory Board, with the exception of matters arising during the meeting of the Board. Adoption of resolutions in a manner specified above shall not apply to the election of Chairman and Deputy Chairman, appointment of a member of the Management Board and removal or suspension of such persons in the performance of their duties.

3. Meetings of the Supervisory Board are convened by its Chairman on his own initiative, on written request of any of members of the Supervisory Board or at the request of the Management Board providing a proposed agenda for such meeting. A meeting should be convened within 14 (fourteen) days from the receipt of the request. If Chairman of the Supervisory Board fails to convene a meeting in the time specified above, the requesting party may do so independently, stating the date, venue and proposed agenda for such meeting the same as in the request mentioned in the first sentence of this p.3.
4. Meetings of the Supervisory Board are convened with registered letters of courier mail posted not later than 7 (seven) days before the planned date of a meeting.
5. Meeting of a Supervisory Board may be held without being formally convened if all its members consent to on the date of the meeting at the latest and confirm this in writing and sign the attendance list.
6. Subject to provisions of p.5 above, an invitation of a meeting of the Supervisory Board must contain, under the threat o nullity, an agenda of the meeting.
7. Resolutions concerning matters not placed in the agenda may not be adopted, unless all members of the Management Board are present at the meeting and none of them objects to it.
8. The adoption of resolutions by the Supervisory Board may take place in writing or by means of direct communications facilities, if all members of the Supervisory Board were notified about the content of a resolution. In such a case it is assumed that the place of holding the meeting and taking its minutes is the place of stay of Chairman of the Supervisory Board or his Deputy, if he presides over the meeting. The date of signing by Chairman or Deputy Chairman is considered to be the date of the resolution.

§ 16.

1. The Supervisory Board shall perform its duties collectively; it may nevertheless delegate its members to independently perform specific supervisory tasks.
2. Resolutions of the Supervisory Board are adopted by absolute majority of votes, with the exclusion of matters specified in § 17 p. 3. In case of a tied vote, the vote of the Chairman of the Supervisory Board shall decide.
3. The Supervisory Board operates on the basis of the regulations adopted by it, which specifies in detail the manner of work of the Board.

§ 17.

1. The Supervisory Board shall exercise supervision over the activities of the Company.
2. Apart from powers and duties of the Supervisory Board stipulated the Code of Commercial Companies and other provisions of these Articles, the following matters fall within special competence of the Supervisory Board:
   - 2.1. to examine the reports of the Management Board and financial statement for the previous business year for their compatibility with the books and documents and the actual state of affairs,
   - 2.2. to assess motions of the Management Board concerning division of profit or covering a loss,
   - 2.3. to submit the annual written report on the results of the examination mentioned in p. 2.1 and 2.2. above to the General Meeting of Shareholders,
   - 2.4. to appoint and dismiss members of the Management Board,

2.5. to suspend, for important reasons, individual or all members of the Management Board in the performance of their functions,
2.6. to assign member or members of the Supervisory Board, for the period not longer than three months, to perform temporarily the duties of those members of the Management Board who have been dismissed, have resigned or who are unable to perform their duties for other reasons,
2.7. to approve the regulations of the Management Board of the Company,
2.8. to approve annual budgets and strategic plans of the Company,
2.9. to grant consent to:
    2.9.1. making commitments by the Company or expenditures concerning one transaction or a series of related transactions in the amount exceeding the equivalent of 100,000 (one hundred thousand) USD fixed according to average exchange rate for USD published by NBP on the day preceding the day of request for approval made by the Management Board to the Supervisory Board, not planned in the approved budget and outside ordinary management of the company,
    2.9.2. acquisition of interest or shares in other companies
    2.9.3. joining other legal persons and sale of assets of the Company, the value of which exceeds 10% (ten percent) of net value of fixed assets, with the exclusion of those, which constitute stock marketable in the course of normal operation of the Company,
    2.9.4. taking credits and loans with the period of repayment over one year not planned in the approved budget, other than trade credits taken by the Company within the scope of ordinary management,
    2.9.5. granting guaranties or securities by the Company not planned in the approved budget and charging the assets of the Company with obligations not planned in the budget,
    2.9.6. concluding a contract, credit, loan, guarantee or another similar agreement with a member of the management board, the supervisory board, the auditing committee, proxy, liquidator – dominant company, or for the benefit of any of those persons,
    2.9.7. concluding agreements between the Company and a close person of Member of the Management Board or in any way related to him – in each case, and between the Company and the employees of the Company who report directly to the Members of the Management Board - in the case of one contract or a series of related contracts for the amount exceeding 10,000 (ten thousand) USD fixed according to average exchange rate for USD published by NBP on the day of concluding the contract
    2.9.8. employing (on employment contracts or civil law contracts) advisers and other people from outside the Company, especially as consultants, lawyers, agents, if annual total costs of employing a person mentioned above would exceed the equivalent of 100,000 (one hundred thousand) USD fixed according to average exchange rate for USD published by NBP on the day preceding the day of request for approval made by the Management Board to the Supervisory Board,
    2.9.9. making advance payments against future dividend,
    2.9.10. acquisition and disposal of real property or a share in a real property.
2.10. to appoint certified auditor for examination of financial statement
2.11. to represent the Company in agreements concluded between the Company and Members of the Management Board , as well as in disputes with them,
2.12. to determine remuneration for members of the Management Board.

3. Without a consent of the majority of independent members of the Supervisory Board no resolutions should be adopted on the following issues:

3.1. any kind of performances paid by the Company or entities related to the Company in favour of members of the Management Board or Supervisory Board.

3.2. consent to the execution by the Company or its dependent company of a key contract with an entity associated with the Company, a member of the Management Board or Supervisory Board or with their associated entities;

3.3. appointment of an auditor to audit the Company's financial statements.

4. Upon request of an independent member the Supervisory Board shall perform supervising actions specified in such request and defined by the provisions of the Polish commercial companies code; the member who requested such actions is entitled to perform them himself if he wishes to do so.

§ 18.

1. Members of the Supervisory Board perform their rights and duties personally.
2. Remuneration for members of the Supervisory Board is determined by General Meeting.
3. Members of the Supervisory Board shall be entitled to reimbursement of costs connected with taking part in the Board activities.
4. The Supervisory Board can request the Management Board to appoint experts, translators and other people of specific qualifications, if it is necessary for proper performance of its function.

C. GENERAL MEETING

§ 19.

1. General Meeting can be annual or extraordinary.
2. Annual General Meeting of Shareholders shall be convened by the Management Board of the Company.
3. Annual General Meeting shall be held within six months of the end of each financial year.
4. Extraordinary General Meeting shall be convened by the Management Board of the Company on its own initiative, on written request of the Supervisory Board, its Chairman, any three members of the Supervisory Board or at a written request of Shareholders representing at least 10% (ten percent) of the share capital.
5. Extraordinary General Meeting shall be convened within 14 (fourteen) days from the date of filing the said request.
6. If the Management Board fails to convene the General Meeting in the time specified in p.5 of this paragraph, the Supervisory Board, its Chairman, any of its three members shall be entitled to convene such General Meeting.

§ 20.

1. General Meeting may adopt resolutions only in matters included in the agenda, unless the entire share capital is represented at the Meeting and no person present objected to holding the Meeting or placing specific matters in the agenda.
2. The agenda is determined by the subject convening the General Meeting of Shareholders.
3. The Supervisory Board, its Chairman, any three members of the Supervisory Board, as well as Shareholders representing at least 10% (ten percent) of the share capital may demand that specific matters are placed in the agenda of the nearest General Meeting.
4. If such a demand is filed after the convening of the General Meeting, it shall be treated as a request for convening Extraordinary General Meeting.

§ 21.

General Meetings of Shareholders shall be held in Katowice or Warsaw.

§ 22.

1. General Meeting is valid and may adopt resolutions irrespective of the number of present shareholders and represented shares, unless provisions of the Law or these Articles provide otherwise.
2. Each share shall give the right to one vote at the General Meeting.

§ 23.

1. Resolutions at the General Meeting of Shareholders are adopted by absolute majority of votes unless provisions of the Law or these Articles provide otherwise.
2. In the situation specified in art.397 of the Code of Commercial Companies, a resolution of liquidation of the Company shall be adopted by a majority of three/fourth of votes.
3. A resolution of abandoning to consider the matter placed on the agenda can be passed only for important reasons. A relevant motion shall be substantiated in detail. Removal from the agenda or abandoning a matter placed on the agenda at the request of shareholders, requires a resolution of the general meeting of shareholders passed by a qualified majority of three quarters of cast votes, after a prior consent of all shareholders, present at the meeting, who lodged such motion.

§ 24.

1. Voting shall be open. A secret ballot shall be ordered in the case of election and on motions to remove members of authorities or liquidators of the Company, or to hold such persons liable, and in matters concerning personal issues. Furthermore, a secret ballot shall be ordered at the request of at least one shareholder from among those present pr represented at the General Meeting.
2. Resolutions concerning change in the objects of the Company shall always be taken in an open voting by roll call.

§ 25.

General Meeting is opened by Chairman of the Supervisory Board or a person indicated by him, then from those with the right to vote a Chairman of the General Meeting shall be elected. In case those persons are absent, the General Meeting is opened by President of the Management Board or a person appointed by the Management Board.

§ 26.

1. Resolutions of the General Meeting of Shareholders, apart from matters specified in this section or in the Articles, shall be required for:
   a) examination and approval of the Management Board report on activities of the Company and financial statements for the previous financial year,
   b) acknowledgement of the fulfilment of duties by members of authorities of the Company,
   c) decisions concerning claims for redressing damage inflicted upon formation of the Company or exercising management or supervision;
   d) disposal or lease of the business enterprise or an organized part of it, or establishment of a property right thereon,
   e) issue of convertible or senior bonds with priority of conversion into shares,

f) acquisition of own shares, which are to be offered to employees or persons that were employed at the Company or a company related to it during the period of at least three years,
g) adopting a resolution on division of profits or covering losses,
h) changes in the objects of activities of the Company,
i) amendments to the Articles of the Company,
j) increase or decrease of the share capital
k) redemption of shares (except of redemption made in accordance with the procedure specified in § 7 p. 9 of the Articles),
l) merging, dividing or liquidation of the Company,
m) dissolution and liquidation of the Company,
n) fixing the date of acquiring rights to dividend and the date of payment of dividends,
o) conclusion by the Company of a contract of credit, loan, guarantee or other similar agreements with a member of the Management Board, the Supervisory Board, auditing committee, proxy, liquidator or for the benefit of any of those persons,
p) specifying remuneration for members of the Supervisory Board.
r) concluding an agreement with a subsidiary, which provides for managing the subsidiary or transferring the profit by such entity.

§ 27.

Competence specified in § 26, section 1, point c, d, e, f, g, h, i, j, k, l, m, n, is exercised by the General Meeting as follows:
a) on a motion of the Management Board of the Company, presented jointly with written opinion of the Supervisory Board,
b) on a motion of shareholders representing at least 10% (ten percent) of the share capital, with opinions of the Management Board of the Company and the Supervisory Board. If no opinion is received when requested at least 14 (fourteen) days before the General Meeting, it shall be understood as lack of objections.

V. MANAGEMENT OF THE COMPANY

§ 28.

The organization of the enterprise of the Company is specified in the organizational regulations prepared by the Management Board of the Company.

§ 29.

The General Meeting, subject to provisions of § 30, may create any reserve capitals and they may be established and released during and at closing of the financial year.

§ 30.

The Company, apart from share and reserve capitals, shall establish and maintain other capitals, which are required by provisions of the law, in particular company fund of welfare benefits.

§ 31.

1. The Management Board of the Company is obliged within four months from the end of the financial year to prepare and submit to the Supervisory Board verified by certified auditors appointed by the Supervisory Board: balance sheet for the last day of a year, profit and loss account, additional information, cash flow statement and detailed written report on activities of the Company in this period.

2. The Management Board shall prepare monthly financial statements in the scope determined by a resolution of the Supervisory Board. These statements shall be delivered to all members of the Supervisory Board within twenty days from the end of each month.
3. The Management Board shall prepare annual budgets and present them to the Supervisory Board for approval in the time specified by the Board. Moreover, the Management Board shall made and update every year strategic plans of development of the Company.
4. The Supervisory Board shall specify the requirements that should be met by budgets and strategic plans submitted by the Management Board.

§ 32.

1. Clean profit of the Company may be allocated, in particular, to:
   a) increase of the share capital,
   b) supplementary capital,
   c) reserve capital,
   d) dividend for shareholders,
   e) investments,
   f) other purposes specified in a resolution of the General Meeting.

2. The Management Board of the Company is authorized to make advance payment to shareholders against future dividend forecast as at the end of the financial year, if the Company has sufficient funds to make such distribution. The advance payment shall require the consent of the Supervisory Board.

The Company may make advance payment against future dividend if its financial statements for the last financial year, examined by a certified auditor, show profit. The advance payment shall represent no more than half of the profit earned since the end of the last financial year, as shown in the financial statements examined by a certified auditor, increased by profits from previous financial years retained in reserve funds allocated for dividend distribution, and decreased by the amount of loss carried forward and amounts of obligatory reserve funds established in accordance with the Law or the Articles.

VI. FINAL PROVISIONS

§ 33.

The Company shall place its announcements in "Rzeczpospolita" daily, with the exception of those announcements that in accordance with binding regulations must be published in "Monitor Sądowy and Gospodarczy" and "Monitor Polski B".

The consolidated text of the Articles of ELEKTROBUDOWA SA was approved by the Company's Supervisory Board on 30 May 2007 by Resolution no. 47/VI/2007.