

## APPENDIX 3 TO THE MERGER PLAN

### DRAFT OF CHANGES TO THE STATUTES

In connection with the merger of PGE Polska Grupa Energetyczna Spółka Akcyjna (Acquiring Company) with PGE Górnictwo i Energetyka S.A. with its registered office in Łódź and PGE Energia S.A. with its registered office in Lublin, following changes will be made to the Statutes of the Acquiring Company:

1. § 6 shall be amended to read:

“§ 6

1. *The Company's founding entity is the State Treasury.*
2. *Pursuant to art. 492 § 1 item 1 of the Commercial Companies Code, the Company (as the acquiring company) merged with the following companies: PGE Górnictwo i Energetyka S.A. with its registered office in Łódź, PGE Energia S.A. with its registered office in Lublin.”*

2. § 7 shall be amended to read:

“§ 7

*„The share capital of [•] company amounts to PLN [•] (in words: [•]), divided to [•] (in words: [•]) shares with the nominal value of PLN [•] (in words: [•]) each, of which:*

- 1) *[•] ([•]) series “A” bearer shares,*
- 2) *[•] ([•]) series “B” bearer shares,*
- 3) *[•] ([•]) series “C” bearer shares,*
- 4) *[•] ([•]) series “D” bearer shares.”*

**THE STATUTES  
OF  
PGE POLSKA GRUPA ENERGETYCZNA  
SPÓŁKA AKCYJNA**

*[The consolidated text including changes effected by resolution no. 4 of the Extraordinary General Meeting of 3 September 2009, resolution no. 1 of the Extraordinary General Meeting of 21 September 2009, resolution no. 1 of the Extraordinary General Meeting of 6 October 2009, a notarial deed of 2 November 2009 and resolution no. 1 of the Extraordinary General Meeting of 10 November 2009 and resolution no ..... General Meeting of ... 2010]*

**I GENERAL PROVISIONS**

§ 1

1. The Company shall conduct activities under the business name of "PGE Polska Grupa Energetyczna Spółka Akcyjna".
2. The Company may use a distinctive trademark.

§ 2

The location of the Company's registered office shall be Warsaw.

§ 3

1. The Company's economic activity shall include the following:
  - 1) Activities of head offices and holdings, except financial holdings (PKD 70.10.Z),
  - 2) Activities of holding companies (PKD 64.20.Z),
  - 3) Regulation of and contribution to more efficient operation of businesses (PKD 84.13.Z),
  - 4) Management consultancy activities (PKD 70.2),
  - 5) Trusts, funds and similar financial entities (PKD 64.30.Z),
  - 6) Other financial service activities, except insurance and pension funding (PKD 64.9),
  - 7) Other activities auxiliary to financial services, except insurance and pension funding (PKD 66.19.Z),
  - 8) Other monetary intermediation (PKD 64.19.Z).
  - 9) Electric power generation, transmission and distribution (PKD 35.1),

- 10) Manufacture of gas; distribution of gaseous fuels through mains (PKD 35.2),
- 11) Generation and supply of steam, hot water and air to air conditioning systems (PKD 35.3),
- 12) Mining of hard coal (PKD 05.10.Z),
- 13) Mining of lignite (PKD 05.20.Z),
- 14) Mining and quarrying n.e.c. (PKD 08.9),
- 15) Support activities for other mining and quarrying (PKD 09.90.Z),
- 16) Manufacture and processing of coke oven products (PKD 19.10.Z),
- 17) Transport via pipeline (PKD 49.50),
- 18) Water collection, treatment and supply (PKD 36.00.Z),
- 19) Construction of utility projects (PKD 42.2),
- 20) Construction of other civil engineering projects n.e.c. (PKD 42.99 Z),
- 21) Specialised construction activities (PKD 43),
- 22) Construction of residential and non-residential buildings (PKD 41.20.Z),
- 23) Construction of water projects (PKD 42.91.Z),
- 24) Architectural and engineering activities and related technical consultancy (PKD 71.1),
- 25) Specialised design activities (PKD 74.10.Z),
- 26) Technical testing and analysis (PKD 71.20),
- 27) Other research and experimental development on natural sciences and engineering (PKD 72.19.Z),
- 28) Operation of gravel and sand pits; mining of clays and kaolin (PKD 08.12.Z),
- 29) Wholesale on a fee or contract basis (PKD 46.1),
- 30) Other specialised wholesale (PKD 46.7),
- 31) Telecommunications (PKD 61),
- 32) Computer programming, consultancy and related activities (PKD 62),
- 33) Data processing, hosting and related activities (PKD 63.11.Z),
- 34) Market research and public opinion polling (PKD 73.20.Z),
- 35) Other education n.e.c. (PKD 85.59),
- 36) Accounting, bookkeeping and auditing activities; tax consultancy (PKD 69.20.Z),

- 37) Manufacture of metal structures and parts of structures (PKD 25.11.Z),
  - 38) Manufacture of electricity distribution and control apparatus (PKD 27.12.Z),
  - 39) Manufacture of electronic components (PKD 26.11.Z),
  - 40) Manufacture of wiring devices (PKD 27.33.Z),
  - 41) Manufacture of other electrical equipment (PKD 27.90.Z),
  - 42) Repair and installation of machinery and equipment (PKD 33),
  - 43) ity systems service activities (PKD 80.20.Z),
  - 44) Freight rail transport (PKD 49.20.Z),
  - 45) Freight transport by road (PKD 49.41.Z),
  - 46) Service activities incidental to land transportation (PKD 52.21.Z),
  - 47) Cargo handling (PKD 52.24.C),
  - 48) Renting and leasing of other automotive vehicles, except motorcycles (PKD 77.12.Z),
  - 49) Renting and leasing of other machinery, equipment and tangible goods n.e.c. (PKD 77.39.Z),
  - 50) Renting and leasing of construction and civil engineering machinery and equipment (PKD 77.32.Z),
  - 51) Waste collection, treatment and disposal activities; materials recovery (PKD 38),
  - 52) Sewerage (PKD 37.00.Z),
  - 53) Defence activities (PKD 84.22.Z),
  - 54) Business support service activities n.e.c. (PKD 82.9).
2. The Company shall initiate a business activity requiring the acquisition of a licence or other permit, or requiring the fulfilment of other particular conditions specified in the applicable regulations after the acquisition of such licences or permit, or meeting such conditions.
  3. The Company shall conduct its activities in compliance with the applicable legal regulations. In particular, the scope of the activity referred to in clause 1 item 9:
    - 1) such activity shall be conducted in compliance with the provisions of the Energy Law of 10 April 1997 (consolidated text: Journal of Laws of 2006, no. 89, item 625, as amended), concerning, among other things, the status of

distribution system operators, with respect to their legal and organizational forms as well as decision making processes, as entities independent of any other activities not related to electricity distribution,

- 2) the Company shall not conduct the activity consisting in the fulfilment of the functions of a power grid transmission system operator.

#### § 4

1. The Company may conduct its business activities in the territory of the Republic of Poland and abroad.
2. The Company may open and maintain branches, plants, bureaus, representative offices and other units; it may participate in other companies and undertakings in the territory of the Republic of Poland and abroad.
3. The Company may be a member of national and foreign associations.

#### § 5

The Company has been established for an indefinite period of time.

#### § 6

1. The Company's founding entity is the State Treasury.
2. Pursuant to art. 492 § 1 item 1 of the Commercial Companies Code, the Company (as the acquiring company) merged with the following companies: PGE Górnictwo i Energetyka S.A. with its registered office in Łódź, PGE Energia S.A. with its registered office in Lublin.

## **II SHARE CAPITAL AND SHARES**

#### § 7

The share capital of [•] company amounts to PLN [•] (in words: [•]), divided to [•] (in words: [•]) shares with the nominal value of PLN [•] (in words: [•]) each, of which:

- 1) [•] ([•]) series "A" bearer shares,
- 2) [•] ([•]) series "B" bearer shares,
- 3) [•] ([•]) series "C" bearer shares,
- 4) [•] ([•]) series "D" bearer shares.

## § 8

The Company's share capital has been financed with the following:

- 1) a contribution in cash in the amount of 49,662,000 PLN (say: forty-nine million six hundred and sixty-two thousand zloty),
- 2) a contribution in kind valued at 14,656,103,389.17 PLN (say: fourteen billion six hundred and fifty-six million one hundred and three thousand three hundred and eighty-nine zloty and seventeen groszy).

## § 9

1. Shares in the Company shall be bearer shares.
2. A change of bearer shares to registered shares shall not be allowed.
3. All shares shall be ordinary shares.

## § 10

1. Redemption of shares shall require a shareholder's consent.
2. The principles, procedure and conditions of share redemption shall be each time determined by a resolution of the General Meeting.

# **III THE COMPANY'S GOVERNING BODIES**

## § 11

The Company shall have the following governing bodies:

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

## § 12

Subject to the mandatory provisions of the Commercial Companies Code, resolutions of the Company's governing bodies shall be adopted by the absolute majority of votes; the "absolute majority of votes" shall be understood as more votes cast "in favour" of a resolution than the combined number of votes cast "against" a resolution and "abstaining" votes.

## **A. THE MANAGEMENT BOARD**

### **§ 13**

1. The Management Board shall manage the Company's affairs and represent the in all judicial and extra-judicial acts.
2. All matters related to the management of the Company's affairs and not reserved by the law or the provisions of these Statutes for the General Meeting or the Supervisory Board shall be the competence of the Management Board.

### **§ 14**

1. Cooperation of two members of the Management Board or one member of the Management Board and a commercial proxy shall be required to make declarations of will on behalf of the Company.
2. The procedures of the Management Board shall be set out in detail in the regulations of the Management Board.

### **§ 15**

1. All matters outside the scope of the Company's ordinary acts shall require a resolution of the Management Board. If at a meeting of the Management Board an equal number of votes is cast for and against a resolution, the vote cast by the President of the Management Board shall prevail.
2. A resolution of the Management Board shall be required in the event of the following:
  - 1) the Company's acquisition or disposal of the following components of property:
    - a) real property, perpetual usufruct, shares in real property,
    - b) components of the Company's tangible assets other than real property whose value exceeds 400,000 euros,
    - c) shares, interests or other participation rights in companies,

- 2) encumbering components of the Company's property meeting the criteria mentioned in item 1 above with a limited property right in the amount (security) exceeding 400,000 euros,
  - 3) the Company's entering into agreements other than those mentioned above or incurring liabilities other than those mentioned above in the amount exceeding 400,000 euro,
  - 4) the Company's granting of suretyships or guarantees,
  - 5) giving donations and releasing from debt,
  - 6) entering into agreements not related to the Company's business activities specified in § 3 clause 1 of these Statutes,
  - 7) approving the Management Board's regulations,
  - 8) approving the organizational regulations of the Company's undertaking,
  - 9) establishing and liquidating branches,
  - 10) appointing commercial proxies,
  - 11) approving the Company's yearly and long-term financial plans,
  - 12) approving the Company's development strategy,
  - 13) determining the manner of exercising voting rights at general meetings in companies in which the Company holds shares or interests.
3. Irrespective of the matters mentioned in clause 2 above, a resolution of the Management Board shall be required in case of every matter submitted by the Management Board to the Supervisory Board for consideration, including matters not reserved for its competence.
  4. The Management Board may adopt resolutions in writing or using means of direct remote communication.
  5. A detailed procedure for the Management Board's adoption of resolutions shall be specified in the regulations of the Management Board.

## § 16

1. The Management Board shall consists of from two to seven members, including a President; the other members of the Management Board shall fulfil the functions of Vice Presidents.



2. Members of the Management Board shall be appointed for a joint three-year term of office.

#### § 17

1. The Management Board or particular members of the Management Board, including a President and Vice Presidents, shall be appointed by the Supervisory Board.
2. Each member of the Management Board may be dismissed or suspended by the General Meeting or, for substantial reason, suspended by the Supervisory Board. The Supervisory Board's resolution concerning the suspension of a member of the Management Board shall require a justification.
3. A member of the Management Board shall submit resignation in writing to the address of the Company's registered office.

### **B. THE SUPERVISORY BOARD**

#### § 18

The Supervisory Board shall exercise permanent supervision over the Company's operations in all areas of activity.

#### § 19

1. The competence of the Supervisory Board shall include the following:
  - 1) evaluating the Management Board's report on the Company's activities and separate financial statements for a previous financial year with respect to their consistency with the account books and other documents as well as the factual state; this shall also concern consolidated financial statements of the PGE Capital Group, if applicable,
  - 2) evaluating the Management Board's proposals concerning distribution of profits or financing of losses,
  - 3) submitting to the General Meeting a written report on the result of activities referred to in items 1 and 2,

- 4) selecting a certified auditor responsible for auditing the Company's separate financial statements and the PGE Capital Group's consolidated statements, if applicable,
  - 5) approving the Company's yearly and long-term financial plans, as well as determining their scope and deadlines for submission by the Management Board,
  - 6) approving the Company's development strategy,
  - 7) adopting detailed regulations specifying the procedures of the Supervisory Board,
  - 8) approving the Regulations of the Company's Management Board,
  - 9) specifying essential conditions concerning the employment of members of the Management Board, as well as conditions for other agreements entered into with them, subject to the provisions of § 37 clause 1 item 10,
  - 10) giving opinions on all motions for resolutions submitted by the Management Board to the General Meeting,
  - 11) approving the Company's organizational regulations,
2. The competence of the Supervisory Board shall also include giving consent to the following:
- 1) the Company's acquisition or disposal of the following components of property:
    - a) real property, perpetual usufruct, interest in real property,
    - b) components of the Company's tangible assets other than real property,
    - c) shares, interests or other participation rights in companies, whose value is equal to or higher than 5,000,000 euros,
  - 2) encumbering components of the Company's property meeting the criteria mentioned in item 1 above with a limited property right in the amount (security) equal to or higher than 5,000,000 euros,
  - 3) the Company's entering into the following agreements:
    - a) agreements providing for donations or debt releases whose value equals at least 5,000 euros,

- b) entering into agreements not related to the Company's business activities specified in § 3 clause 1 of the Statutes whose value equals at least 5,000 euros,
  - 4) the Company's granting of suretyships or guarantees to entities other than directly subordinate companies and cooperatives (within the meaning of the Commercial Companies Code),
  - 5) agreements providing for the construction or commissioning of connections with power systems of other countries,
  - 6) the Company's entering into agreements other than these referred to above or incurring liabilities other than these mentioned above whose value is equal to or higher than 100,000,000.00 euros; however, the Company's entering into agreements with directly or indirectly subordinate companies (within the meaning of the Commercial Companies Code) or incurring liabilities related to electricity trade shall not require the Supervisory Board's consent,
  - 7) advanced payments towards planned dividends.
3. Besides, the competence of the Supervisory Board shall include in particular the following:
- 1) delegating members of the Supervisory Board to temporarily perform the duties of these members of the Management Board who are incapable of performing their duties,
  - 2) giving consent to members of the Management Board to hold positions in other companies' governing bodies.
4. The Supervisory Board's refusal to grant consent in matters specified in clause 2 and clause 3 item 2 shall require a justification.

## § 20

- 1. The Supervisory Board may delegate its particular members to individually perform particular supervisory activities for a definite period of time.
- 2. A delegated member of the Supervisory Board shall be obliged to submit to the Board written reports on conducted activities.

## § 21

1. The Supervisory Board shall consist of from seven to nine members.
2. Members of the Supervisory Board shall be appointed and dismissed by the General Meeting, subject to the provisions in clauses 3 and 4 below.
3. The State Treasury shall be entitled to appoint and dismiss one member of the Supervisory Board by way of a written declaration submitted to the Company at the General Meeting or to the Management Board outside the General Meeting; the State Treasury shall exercise this right irrespective of its voting rights at the election of the other members of the Supervisory Board.
4. The Supervisory Board shall include at least one person appointed by the General Meeting from among persons meeting the criteria of independence specified in the principles of corporate governance adopted by the Board of the Warsaw Stock Exchange. Proposing a candidate for this position a shareholder nominating such candidate shall be obliged to submit to the minutes of the General Meeting such candidate's written declaration confirming his/her independence.
5. Members of the Supervisory Board shall be appointed for a joint three-year term of office. The Chairperson of the Supervisory Board shall be appointed by the General Meeting.
6. The State Treasury's failure to appoint a member of the Supervisory Board referred to in clause 3 above or the General Meeting's failure to elect members of the Management Board meeting the criteria of independence referred to in clause 4 above or the absence of such persons in the composition of the Supervisory Board shall not prevent the Supervisory Board from adopting valid resolutions.

## § 22

1. A member of the Supervisory Board may be dismissed by the General Meeting at any time, subject to § 21 clause 3 of the Statutes.
2. A member of the Supervisory Board shall submit resignation in writing to the address of the Company's registered office.

### § 23

1. The Supervisory Board shall elect its Vice Chairperson and Secretary from among its members.
2. The Supervisory Board may elect a new Vice Chairperson or Secretary of the Board at any time.
3. Meetings of the Supervisory Board shall be chaired by its Chairperson and in the event of his/her absence - the Vice Chairperson.
4. Declarations addressed to the Supervisory Board between its meetings shall be submitted to the Chairperson of the Board, and if this is not possible, to the Vice Chairperson of the Board or its Secretary.

### § 24

1. The Supervisory Board shall hold meetings at least once every two months.
2. The first meeting of the Supervisory Board in a new term of office shall be convened by the Chairperson of the General Meeting at which the Supervisory Board is elected, before the closing of the General Meeting. The date of such meeting may not fall later than two weeks after the date of the General Meeting. In the event that the first meeting of the Supervisory Board is not convened under this procedure, it shall be convened by the Management Board within four weeks from the date of the General Meeting.
3. Meetings of the Supervisory Board shall be convened by the Chairperson of the Board or the Vice Chairperson in place of the Chairperson. A meeting of the Supervisory Board should be also convened at the request of any member of the Supervisory Board or the Management Board.

### § 25

1. The convening of a meeting of the Supervisory Board shall be effective if all members of the Supervisory Board are invited in writing at least seven days before the planned date of a meeting. For important reasons, the Chairperson or

Vice Chairperson of the Supervisory Board may shorten this period to two days specifying the manner of delivering written invitations.

2. An invitation to a meeting of the Supervisory Board shall specify the date and place of such meeting; a detailed agenda of a meeting shall be attached to such invitation.
3. A change in the agenda of a meeting may be effected if all members of the Supervisory Board are present at a meeting and none of them has raised an objection to such change.

#### § 26

1. The Supervisory Board shall adopt resolutions if at least half of its members are present at a meeting and all members have been duly invited to a meeting.
2. The Supervisory Board shall adopt resolutions in open voting. If at a meeting of the Supervisory Board an equal number of votes is cast for and against a resolution, the vote cast by the Chairperson of the Supervisory Board shall prevail.
3. Secret voting shall be ordered in personal matters and following a motion put forward by a member of the Supervisory Board.
4. The Supervisory Board may adopt resolutions in writing or using means of direct remote communication. A resolution may be adopted under this procedure if all members of the Supervisory Board have been previously presented with proposed resolutions together with their justifications as well as a justification for following this procedure of adopting a resolution.
5. Resolutions adopted under the procedure specified in clause 4 and the results of votes shall be presented at the nearest meeting of the Supervisory Board.
6. Under the procedure specified in clause 4, resolutions concerning the election or dismissal of the Vice Chairperson and Secretary of the Supervisory Board, the appointment, dismissal or suspension of a member of the Management Board may not be adopted.

#### § 27

1. The Supervisory Board shall adopt its regulations specifying in detail its procedures.

2. The Regulations of the Supervisory Board referred to in clause 1 above or a resolution of the General Meeting may provide for the establishment of committees within the Supervisory Board, in particular the Audit Committee and Remuneration Committee.
3. Members of the Supervisory Board shall be obliged to participate in meetings of the Supervisory Board. A member of the Supervisory Board shall provide reasons for his/her absence at a meeting in writing. Excusing the absence of a member of the Board from its meeting shall require a resolution of the Supervisory Board.
4. Members of the Supervisory Board shall be entitled to a monthly remuneration in the amount specified by the General Meeting.
5. Remuneration for a member of the Supervisory Board delegated temporarily to perform the duties of a member of the Management Board shall be determined by the Supervisory Board in the amount which jointly with the remuneration of a given member of the Supervisory Board determined by the General Meeting shall not be higher than the highest remuneration determined for the other members of the Management Board.
6. The Company shall reimburse costs incurred by members of the Supervisory Board in the fulfilment of the function entrusted to them, in particular costs of travel to meetings of the Supervisory Board, costs of board and accommodation, as well as costs of the exercise of individual supervision.

## § 28

On behalf of the Company, agreements with members of the Management Board shall be entered into by an authorized member of the Supervisory Board, on the basis of a resolution adopted by the Supervisory Board.

## **C. GENERAL MEETINGS**

## § 29

1. A General Meeting shall be convened by the Management Board:
  - 1) on its own initiative,

- 2) at a written request of the Supervisory Board,
  - 3) at a written request of a shareholder or shareholders representing at least one twentieth of the share capital,
  - 4) at a written request of the State Treasury, as long as the State Treasury remains a shareholder.
2. A General Meeting should be convened within two weeks from the date of submitting the request referred to in clause 1 items 2 - 4.
  3. In the event that a General Meeting is not convened within two weeks from the date of submitting the request referred to in clause 1 item 3 or 4, the Court of Registration may authorize shareholders submitting such request to convene an Extraordinary General Meeting.

#### § 30

1. General Meetings shall be held at the Company's registered office.
2. The General Meeting may adopt its regulations.

#### § 31

1. The General Meeting may adopt resolution only with respect to affairs included in its detailed agenda, subject to article 404 of the Commercial Companies Code.
2. The agenda shall be determined by the Management Board or another entity convening the General Meeting.
3. A shareholder or shareholders representing at least one twentieth of the share capital may request that particular affairs be included in the agenda of the nearest General Meeting. The State Treasury shall also be entitled to make such request as long as it remains the Company's shareholder.
4. The shareholders, including the State Treasury, referred to in clause 3 may, before the date of the General Meeting, submit to the Company, in writing or by way of electronic means of communication, draft resolutions concerning affairs which have been or may be included in the agenda of the General Meeting. The right referred to in the previous sentence may be exercised as of the date on which the Company becomes a public company.



5. The request referred to in clause 3 shall be submitted to the Management Board within a period of time specified in article 401 § 1 of the Commercial Companies Code. In the event that the request referred to in clause 3 is submitted after the period of time specified in article 401 § 1 of the Commercial Companies Code, it shall be regarded as a motion to convene an Extraordinary General Meeting.

## § 32

The General Meeting shall be opened by the Chairperson of the Supervisory Board or the Vice Chairperson in place of the Chairperson; in the event of the absence of these persons, the following persons shall be entitled to open the General Meeting in the following order: the President of the Management Board, a person appointed by the Management Board or a shareholder whose shares registered for the General Meeting entitle him/her to exercise the biggest number of voting rights. Subsequently, subject to the provisions of article 400 § 3 of the Commercial Companies Code, the Chairperson of the General Meeting shall be elected from among those entitled to participate in the General Meeting.

## § 33

One share shall give its holder one vote at the General Meeting.

## § 34

By the majority of two thirds of votes, the General Meeting may order a break in its session. Altogether such breaks may not last longer than thirty days.

## § 35

Voting at the General Meeting shall be open. Secret voting shall be ordered in the case of elections of the Company's governing bodies or the Company's liquidators or motions for the dismissal of members of the Company's governing bodies or liquidators, or for bringing them to account, or in personal matters. Apart from this, secret voting shall be ordered at the request of at least one shareholder present or represented at the General Meeting.

### § 36

Each year the Management Board shall convene the ordinary General Meeting. The ordinary General Meeting should be held within six months from the end of the financial year.

### § 37

1. The following matters shall require a resolution adopted by the General Meeting:

- 1) selling or leasing the Company's undertaking or its organized part, or establishing a limited property right thereon,
- 2) entering into a credit, loan, suretyship or another similar agreement with a member of the Management Board or Supervisory Board, a commercial proxy or liquidator, or for any of such persons,
- 3) increasing or decreasing the Company's share capital,
- 4) issuing convertible bonds or priority bonds and issuing subscription warrants,
- 5) making decisions with respect to claims for compensation of damage caused in the course of fulfilling the managerial and supervisory functions,
- 6) the Company's mergers, transformations and demergers,
- 7) redemption of shares,
- 8) changes in the Statutes and changes in the Company's scope of business activities,
- 9) the Company's dissolution and liquidation,
- 10) determining the amount of remuneration for members of the Management Board.

2. Purchase or disposal of real property, perpetual usufruct or interest in real property shall not require a resolution adopted by the General Meeting.

### § 38

Motions put forward by the Management Board with respect to matters specified in §37 should be justified and include a written opinion issued by the Supervisory Board.

#### **IV MANAGEMENT OF THE COMPANY**

##### **§ 39**

The Company's financial year shall be a calendar year.

##### **§ 40**

The Company's account books shall be kept in accordance with the relative accounting regulations.

##### **§ 41**

1. The Company shall created the following capitals and funds:
  - 1) share capital,
  - 2) supplementary capital,
  - 3) revaluation reserve,
  - 4) other capital reserves.
2. On the basis of resolutions adopted by the General Meeting, the Company may create and release other capitals and special purpose funds at the beginning and during a financial year. In particular, the Company shall create supplementary capital to finance particular expenditures or losses. The purpose of created capitals and special purpose funds shall be determined by the General Meeting.

##### **§ 42**

The Management Board shall be obliged:

- 1) to draw up the Company's separate financial statements together with a report on the Company's activities in a previous financial year within three months from the balance sheet date,
- 2) to draw up consolidated financial statements of the PGE Capital Group together with a report on the Capital Group's activities in a previous financial year within six months from the balance sheet date,
- 3) to have financial statements audited by a certified auditor,

- 4) to submit documents referred to in items 1 and 2 together with an opinion and report prepared by a certified auditor to the Supervisory Board for evaluation, not later than within fourteen days from receiving a certified auditor's opinion on given financial statements.

#### § 43

1. The manner of the distribution of the Company's net profit shall be determined by the General Meeting in a relevant resolution.
2. The General Meeting shall allocate at least 8% of profit for a given financial year to the supplementary capital until the supplementary capital has become equal to at least one third of the share capital.
3. The General Meeting shall determine the use of the supplementary capital, however, the part of the supplementary capital up to the amount equal to one third of the share capital may be used exclusively to finance balance-sheet losses.
4. The General Meeting may distribute net profit among the following:
  - 1) dividend for shareholders,
  - 2) other capitals and funds,
  - 3) other purposes.
5. The dividend date and the dividend payment date shall be determined by the General Meeting.
6. If the Company maintains capital reserves, e.g. for dividend payment, then such reserves may be released in part or in entirety at any time in any financial year on the basis of a resolution adopted by the General Meeting and specifying its purpose. A resolution of the General Meeting determining that a capital reserve or capital reserves be used to pay dividend shall specify the amount of such dividend and date of payment. The Management Board may submit a motion to the General Meeting to release a capital reserve.
7. The Management Board shall be entitled to adopt a resolution on the advance payment of expected dividend to shareholders at the end of a financial year if the Company is in possession of funds for such advance payment. Such advance payment of dividend shall require consent of the Supervisory Board. Such

advance payment of expected dividend shall be possible provided that the Company has achieved profit and such profit is recognized in the Company's financial statements for the previous financial year and such financial statements have been audited by a certified auditor. Such advance payment of dividend may constitute not more than a half of profit achieved from the end of the previous financial year, recognized in the financial statements and audited by a certified auditor, plus capital reserves created from profit which remain at the disposal of the Management Board for the purpose of such advance payment, less remaining losses and treasury shares.

## **V PUBLICATION PROVISIONS**

### **§ 44**

The Company shall publish its announcements in the Court and Commercial Gazette (Monitor Sądowy i Gospodarczy). This obligation shall not apply to announcement concerning the convening of the General Meeting made after the date on which the Company becomes a public company; such announcement shall be made exclusively in the manner specified in article 402<sup>1</sup> of the Commercial Companies Code. All copies of such announcements shall be sent to the State Treasury as long as the State Treasury remains the Company's shareholder. If a legal regulation requires that the Company publish an announcement additionally in a periodical other than the Court and Commercial Gazette, such periodical shall be a national daily newspaper.

## **VI. INTERIM AND FINAL PROVISIONS**

### **§ 45**

1. The Company may be dissolved for reasons provided for in the legal regulations.
2. Members of the Management Board shall be the Company's liquidators unless a resolution adopted by the General Meeting provides for otherwise.
3. Shareholders shall be entitled to the Company's assets remaining after the satisfaction of creditors or the security of their claims.

4. Whenever these Statutes refer to an amount denominated in euros, such amount shall be understood as its equivalent in Polish zloty determined on the basis of the average zloty/euro exchange rate announced by the National Bank of Poland on a day preceding the Management Board's adoption of a relevant resolution.
5. Whenever the value of a given right, asset, agreement or liability is denominated in a currency other than Polish zloty, for the purpose of implementing the Statutes' provisions, the equivalent of such value denominated in Polish zloty shall be adopted; such value shall be determined on the basis of the average exchange rate of the Polish zloty to such currency announced by the National Bank of Poland on a day preceding the Management Board's adoption of a relevant resolution.

#### § 46

1. In the period before the Company's submission of an application for the admission of at least one share in the Company to public trading on a regulated market (inclusive of such day) the State Treasury acting in the capacity of the Company's shareholder shall be entitled to the following:
  - 1) to receive information on the Company in the form of quarterly financial reports in accordance with the guidelines specified by the minister competent for the State Treasury's affairs,
  - 2) to receive information on all material changes in the Company's financial and legal status,
  - 3) to receive notifications of the convening of the General Meeting by registered mail or courier with confirmation of receipt simultaneously with their publication in the Court and Commercial Gazette,
  - 4) to receive copies of all resolutions adopted by the Supervisory Board and minutes of these meetings of the Supervisory Board at which the yearly evaluation of the Company's activities is conducted, resolutions are adopted with respect to the appointment, dismissal or suspension of members of the Management Board and these meetings at which dissenting opinions have been submitted against adopted resolutions;

- 5) to receive copies of information submitted to the minister competent for public finance affairs on granted suretyships and guarantees, pursuant to article 34 of the Act of 8 May 1997 on suretyships and guarantees granted by the State Treasury and some other legal entities (Journal of Laws, no. 79, item 484, as amended); copies of such information shall be also submitted to the Supervisory Board.
2. In the period before the Company's submission of an application for the admission of at least one share in the Company to public trading on a regulated market (inclusive of such day):
  - 1) the provisions of § 21 clause 5 shall not apply.
  - 2) As long as the State Treasury remains the Company's shareholder, each time a change in the Company's Statutes is entered in the National Court Register the Management shall be obliged to immediately send a consolidated text of the Statutes to the minister competent for economic affairs.
3. During the period when the State Treasury remains the Company's sole shareholder:
  - 1) the Management Board shall be obliged, pursuant to article 5a of the Act of 8 August 1996 on the principles of the State Treasury's exercising its rights (Journal of Law, no. 106, item 493, as amended), to acquire consent of the minister competent for the State Treasury's affairs to perform a legal act regarding the disposal of fixed assets components within the meaning of the accounting regulations, classified as intangible assets, tangible fixed assets or long-term investments, including the making of such assets available for use by other entities under civil law agreements or using them as contribution to a company or cooperative if the market value of an object subject to disposition exceeds the equivalent of 50,000 euros in Polish zloty calculated on the basis of the average currency exchange rate announced by the National Bank of Poland on the day of applying for such consent,
  - 2) members of the Supervisory Board shall meet the requirements specified in the regulation of the Council of Ministers of 9 September 1997 concerning

the training and examinations of candidates for members of supervisory boards in companies whose sole shareholder is the State Treasury, and remuneration for members of supervisory boards in such companies (Journal of Laws no. 110, item 718, as amended),

- 3) remuneration of members of the Supervisory Board shall be determined pursuant to article 6 clause 1 in connection with article 1 clause 4 of the Act of 3 March 2000 on remuneration of persons managing some legal entities (Journal of Laws, no. 26, item 306, as amended) (in this respect, § 27 clauses 4 and 5 shall not apply).
- 4) The General Meeting may appoint members of the Management Board pursuant to article 1a clause 5 of the Commercialization and Privatization Act of 30 August 1996 (the consolidated text: Journal of Laws of 2002, no. 171, item 1397, as amended).