

CIECH Spółka Akcyjna
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Commercial Division of the National Court Register under number 0000011687

Articles of Association
CIECH Spółka Akcyjna
Consolidated text

Including the amendments to the consolidated text dated January 14th, 1997 (Notarial Deed, Repertory A no. 290/97) made by minutes drawn up in the form of Notarial Deeds dated June 2nd, 1998 (Repertory A no. 9719/98), May 24th, 2000 (Repertory A no. 8777/2000), June 27th, 2001 (Repertory A no. 19647/2001), October 19th, 2001 (Repertory A no. 32749/2001), February 14th, 2002 (Repertory A no. 3510/2002), August 28th, 2003 (Repertory A no. 21080/2003), May 19th, 2004 (Repertory A no. 13729/2004), June 28th, 2004 (Repertory A no. 16888/2004), June 29th, 2005 (Repertory A no. 11155/2005), June 21st, 2007 (Repertory A no. 10277/2007), June 26th, 2008 (Repertory A no. 11382/2008), September 14th, 2009 (Repertory A no. 7097/2009), October 28th, 2010 (Repertory A no. 12743/2010) and June 30th, 2011 (Repertory A no. 11399/2011).

I. General provisions.

§ 1

1. The Company business name shall be: „**CIECH Spółka Akcyjna**”.
2. The Company may use its abbreviated business name: „**CIECH S.A.**”

§ 2

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

§ 3

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

§ 4

The Company is established for an indefinite period of time.

§ 5

The Company may establish branches and other organisational units, and form companies or join already existing companies, the Company may also participate in any organizational and legal associations allowed by the law.

II. The Company's Business Activity.

§ 6

1. The Company's business undertaking is:
 - 1) activity of agents involved in the sale of fuels, ores, metals and industrial chemicals (PKD 46.12.Z),
 - 2) activity of agents specialised in the sale of other particular products (PKD 46.18.Z),
 - 3) activity of agents involved in the sale of a variety of goods (PKD 46.19.Z),
 - 4) wholesale of pharmaceutical and medical goods (PKD 46.46.Z),
 - 5) wholesale of fuels and related products (PKD 46.71.Z),
 - 6) wholesale of chemical products (PKD 46.75.Z),
 - 7) wholesale of other semi-finished products (PKD 46.76.Z),
 - 8) non-specialised wholesale (PKD 46.90.Z),
 - 9) cargo handling at sea ports (PKD 52.24.A),
 - 10) cargo handling at inland ports (PKD 52.24.B),
 - 11) cargo handling at other goods-handling centres (PKD 52.24.C),
 - 12) warehousing and storage of other goods (PKD 52.10.B),
 - 13) other credit granting (PKD 64.92.Z),
 - 14) other financial service activities, except insurance and pension funding, not elsewhere classified (PKD 64.99.Z),
 - 15) buying and selling of own real estate (PKD 68.10.Z),
 - 16) rental and management of own or leased real estate (PKD 68.20.Z),
 - 17) legal activities (PKD 69.10.Z),
 - 18) market research and public opinion polling (PKD 73.20.Z),
 - 19) business and other management consultancy activities (PKD 70.22.Z),
 - 20) head offices and holdings' operations, with the exclusion of financial holdings (PKD 70.10.Z),
 - 21) other professional, scientific and technical activities not elsewhere classified (PKD 74.90.Z).

1. In the event that undertaking of any type of the Company's activities shall require a permission or licence, such an activity shall not be commenced by the Company without obtaining such a permission or licence.

III. Share Capital and Shares.

§ 7

1. The share capital of the Company amounts to PLN 263,500,965 (in words: two hundred sixty three million five hundred thousand nine hundred and sixty five) and is divided into 52,699,909 (in words: fifty two million six hundred and ninety nine thousand nine hundred and nine) shares of a nominal value of PLN 5 (five) each, including:
 - 20,816 (in words: twenty thousand eight hundred and sixteen) A series ordinary bearer shares;
 - 19,775,200 (in words: nineteen million seven hundred and seventy five thousand two hundred) B series ordinary bearer shares;
 - 8,203,984 (in words: eight million two hundred and three thousand nine hundred and eighty four) C series ordinary bearer shares;
 - 23,000,000 (in words: twenty three million) D series ordinary bearer shares,
 - 1,699,909 (in words: one million six hundred ninety nine thousand nine hundred and nine) E series ordinary bearer shares.
2. According to requirements of effective legal regulations, a significant change in the Company's business activity shall not require repurchase of shares.

§ 8

1. Shares may be redeemed with the consent of a shareholder, through the shares' purchase by the Company (voluntary redemption).
2. Purchase by the Company of its own shares with the aim of redemption shall require a consent of the General Meeting expressed in the form of a resolution.
3. Redemption of the Company's shares shall require a resolution passed by the General Meeting and the resolution should particularly define the legal basis for the redemption, the amount of remuneration due to the shareholder of the redeemed shares or a justification for the redemption of shares without remuneration, as well as the way of reducing the Company's share capital.
4. The Company may issue utility certificates in exchange for the redeemed shares.

§ 9

The Company shall establish:

- supplementary capital;
- reserve capitals;
- earmarked funds;
- other funds provided for by the law.

§ 10

The supplementary capital shall be established for the purpose of covering losses, from write-offs in the amount of no less than 8% of net profit for the given financial year, until that

capital does not reach at least one third of the share capital. The amount of write-offs shall be specified by the General Meeting.

§ 11

The reserve capitals shall be established from write-offs from net profit for a given financial year, irrespective of the supplementary capital, for the purpose of covering particular losses or expenses of the Company. The decision to establish reserve capitals and regarding the amount of write-offs for these capitals shall be made by the General Meeting.

§ 12

Decisions regarding the use of the supplementary capital and the reserve capitals shall be made by the General Meeting, however, a part of the supplementary capital, up to one third of the share capital, may only be used to cover the loss disclosed in the financial report.

§ 13

1. Earmarked funds are established and abolished by a resolution passed by the General Meeting.
2. Earmarked funds may be created from write-offs from distributable profit and other means, and they may be used for the Company's development purposes, social needs of the Company's employees, remuneration of the Company's Management Board and employees for annual achievements at work, as well as other purposes connected with the Company's needs.
1. The earmarked funds shall be managed by the Company's Management Board in accordance with the funds' purpose arising from the General Meeting's resolution.

§ 14

1. The shareholders shall have the right to a share in the net profit disclosed in the financial report for the last financial year, audited by a certified auditor, and which has been assigned by the General Meeting for payment to the shareholders.
2. The net profit for the given financial year may be used in particular for:
 - supplementary capital;
 - reserve capitals;
 - earmarked funds;
 - payment of dividend to shareholders;
 - other purposes specified by a resolution passed by the General Meeting.
3. The date according to which the list of shareholders entitled to a dividend for a given financial year is established shall be specified by a resolution passed by the General Meeting. The dividend shall be paid on the date specified by the General Meeting's resolution. Should the General Meeting's resolution fail to specify such a date, the dividend shall be paid out on a date specified by the Supervisory Board.

§ 15

1. The financial year of the Company shall be the calendar year.
2. Within five months after the end of a financial year, the Management Board shall be obliged to draw-up and present to the Supervisory Board a financial report for the previous financial year, as well as the Management Board report on the Company's activity, and a consolidated financial report as well as an operations report of the capital group whose dominating unit is the Company, as long as the Company draws these reports up, and all these documents shall already be verified by a certified auditor.

3. Having been reviewed by the Supervisory Board, the Management Board's report on the Company's activity, financial report for the previous financial year as well as the consolidated financial report and the operations report of the capital group whose dominating unit is the Company, providing that the Company draws these reports up, shall be approved by the General Meeting.

IV. Company bodies.

§ 16

The Company's bodies shall be:

- a) The General Meeting;
- b) The Supervisory Board;
- c) The Management Board.

General Meeting

§ 17

1. A General Meeting may be Ordinary or Extraordinary.
2. The Ordinary Meeting of Shareholders shall be convened by the Management Board. The Supervisory Board may convene the Ordinary Meeting of Shareholders if the Management Board has failed to convene it within the specified time.
3. The Extraordinary Meeting of Shareholders shall be convened by:
 - 1) the Management Board,
 - 2) the Supervisory Board, should they find it necessary,
 - 3) a Shareholder or Shareholders representing at least half of the share capital or at least half of the total voting rights in the Company.
4. Shareholder or Shareholders representing at least 1/20 of the share capital may request that Extraordinary General Meeting be convened and particular issues be included in the Meeting's agenda. The request shall be presented, together with its justification, to the Management Board in writing or sent to the electronic mail address indicated on the Company's website.
5. The agenda for the General Meeting shall be determined by the Company's Management Board, and in the events specified in § 17 Clause 3 Items 2 and 3 – by the party convening the General Meeting.
6. Shareholder or Shareholders representing at least 1/20 of the share capital shall have the right to:
 - 1) request that particular issues be introduced into the agenda of the next General Meeting of Shareholders – such a request shall be presented to the Management Board in writing or electronically at the e-mail address listed on the Company's website, not later than twenty one days prior to the designated date of the General Meeting and shall contain a justification or a draft of the resolution regarding the proposed point on the agenda;
 - 2) prior to the date of the General Meeting, present the Company, either in writing or electronically at the e-mail address listed on the Company's website, with drafts of resolutions regarding issues introduced into the General Meeting's agenda or issues which are to be introduced into the General Meeting's agenda .

§ 18

The competence of the General Meeting of Shareholders shall include in particular:

- 1) consideration and approval of the Management Board's report on the Company's activities, the financial report for the last financial year, consolidated financial report as well as an operations report of the capital group whose dominating unit is the Company, as long as the Company draws these reports up, and consideration and approval of the annual written report of the Supervisory Board, and confirmation of fulfilment of duties by the members of the Company's governing bodies;
- 2) passing resolutions on profit distribution or covering a loss;
- 3) adopting General Meeting regulations;
- 4) amending the Company's Articles of Association;
- 5) changing the Company's business activity;
- 6) the sale and lease of the undertaking or organized part thereof, and establishing a limited tangible right on such;
- 7) appointing and dismissing members of the Company's Supervisory Board and agreeing on the remuneration of the Supervisory Board members;
- 8) appointing and dismissing members of the Company's Management Board, including the President of the Management Board;
- 9) increasing or reducing of the share capital;
- 10) passing resolutions regarding issuing bonds, including convertible bonds;
- 11) merger of the Company with other companies, dividing or transformation of the Company;
- 12) dissolution of the Company;
- 13) granting permission to the Company to purchase shares for the purpose of redemption, and adopting share redemption conditions;
- 14) passing other resolutions provided for by provisions of law or these Articles of Association.

§ 19

The General Meeting resolutions shall be passed with an absolute majority of votes, unless provisions of the Commercial Code, other statutes or the Articles of Association provide for other conditions of the resolutions' passing.

Supervisory Board

§ 20

1. The Supervisory Board shall consists of five to nine members appointed by the General Meeting.
2. The Supervisory Board members shall be appointed for a joint term of three years.
3. Individual members of the Supervisory Board may be recalled at any time in a manner as specified for their appointment.
4. The Supervisory Board shall operate on the basis of regulations passed by the Supervisory Board and approved by the General Meeting.
5. The Supervisory Board shall select the Chairman of the Supervisory Board from among its members, and a Vice Chairman, should it be necessary, as well as a secretary.
6. The Supervisory Board may appoint committees (including an Audit Committee) from among its members.

§ 21

1. The Supervisory Board exercises permanent supervision over the Company's operations.
2. The competence of the Supervisory Board shall include in particular:
 - 1) assessing the Management Board's report on the Company's activities, the financial report for the last financial year, and consolidated financial report as well as an operations report of the capital group whose dominating unit is the Company, as long as the Company draws these reports up, within the scope of these documents' consistency with books and documents as well as consistency with the factual circumstances, and assessing motions of the Management Board regarding profit distribution or covering of loss, as well as providing the General Meeting with an annual written report on the findings of this assessment;
 - 2) reviewing the Company's operating plans prepared by the Management Board;
 - 3) considering and reviewing issues which are to be subjects of the General Meeting's resolutions;
 - 4) adopting regulations for the Supervisory Board;
 - 5) adopting regulations for the Management Board;
 - 6) agreeing on conditions of remunerations as well as the remuneration amounts of the Management Board members, including the President of the Management Board;
 - 7) selecting a certified auditor to audit the Company's financial report and to audit the consolidated financial report of the Company's capital group.
 - 8) granting permission to exercise the right or to incur a liability which on the basis of one or several related legal actions exceeds the equivalent of PLN 10,000,000 (in words: ten million) except for:
 - a) agreements for the sale of raw materials, semi-finished products, and products related to the Company's business activity;
 - b) activities which require consent of the General Meeting.
3. In order to fulfil its duties, the Supervisory Board shall be allowed to audit all the Company's documents, to request that the Management Board or the employees provide reports and explanations, and to reevaluate the Company's assets.
4. Members of the Supervisory Board shall exercise their rights and perform their duties personally.

§ 22

1. The Supervisory Board resolutions shall be passed with an absolute majority of votes in the presence of at least half of the Supervisory Board members, however, in case of an equally split vote, the vote of the Supervisory Board Chairman shall be decisive.
2. The Supervisory Board may pass resolutions without convening a meeting, by means of a voting in writing or using the means of direct long-distance communication, however, a resolution may be passed effectively in such a manner only if all the Supervisory Board members have been informed about the content of the resolution draft.
3. Members of the Supervisory Board shall have the right to take part in passing the Board's resolutions by voting in writing through another member of the Supervisory Board. Voting in writing shall not consider issues introduced into the agenda during the Supervisory Board's meeting.
4. Resolutions passed in the manner specified in Clauses 2 and 3 above shall not apply to the appointment of the Supervisory Board's Chairman, the Vice Chairman, or the Supervisory Board Secretary, or to suspending of the Management Board's members from their duties, including the President of the Management Board.

Management Board

§ 23

1. The Management Board consists of three to five persons, including the President of the Management Board, appointed and dismissed by the General Meeting.
2. Members of the Management Board shall be appointed for a joint term of three years.
3. Representative of the Supervisory Board delegated from among the Board's members shall conclude, on behalf of the Company, a contract of employment with members of the Management Board or a management agreement based on conditions set forth by a resolution passed by the Supervisory Board. Other legal acts between the Company and the Management Board members shall be made in the same manner.
4. The Management Board shall act on the basis of the Management Board's regulations adopted by the Management Board and approved by the Supervisory Board.

§ 24

1. The competence of the Management Board shall include all business matters and decisions as well as other issues not restricted by provisions of the Commercial Code or provisions of the Company's Articles of Association to the exclusive jurisdiction of the General Meeting or the Supervisory Board.
2. The President of the Management Board shall manage the work of the Management Board. The President of the Management Board shall convene the Board meetings according to provisions set forth in the Management Board's regulations and shall have the right to issue rulings in all order and organizational matters connected with works of the Management Board.
3. As regards handling of the Company's matters, the Company observes an internal division of authority among the Management Board members. Detailed scope of authority of particular members of the Company's Management Board shall be determined by the Management Board.
4. Resolutions passed by the Management Board shall be required solely with reference to matters exceeding the scope of ordinary acts of the Company, in particular:
 - 1) approving or amending of the Management Board's regulations;
 - 2) approving or amending of the Company's Organisational Regulations;
 - 3) accepting motions submitted to the Supervisory Board or the General Meeting;
 - 4) convening General Meetings and accepting the General Meetings' proposed agendas;
 - 5) accepting annual and long-term financial plans and the Company development strategies;
 - 6) granting procuration or general powers of attorney;
 - 7) incurring loans;
 - 8) granting loans and donations;
 - 9) exercising the right or incurring a liability in an amount exceeding PLN 500,000 (in words: five hundred thousand);
 - 10) applying for bank guarantees, incurring bill of exchange liabilities, granting any type of guarantees, and establishing other securities.
5. Resolutions passed by the Management Board shall also be required in matters which do not exceed the scope of ordinary acts of the Company, should passing of the resolution be required by any of the Management Board members.

5. The Management Board resolutions shall be passed with an absolute majority of votes. In case of an equally split vote, the President of the Management Board's vote shall be decisive.
6. The President of the Management Board shall resolve internal conflicts of authority among the Management Board members.

§ 25

The President of the Management Board independently, two members of the Management Board jointly, or one member of the Management Board together with a proxy shall be authorised to submit declarations of will and sign on behalf of the Company.

V. Final provisions.

§ 26

The Company places announcements as required by provisions of the Commercial Code.

§ 27

Provisions of the Commercial Code and other effective provisions of law shall be applicable to the Company in issues not governed by these Articles of Association.