



ZESPÓŁ ELEKTROCIĘPŁOWNI WROCLAWSKICH
KOGENERACJA SA



Articles of Association

(uniform text)

*Changes resolved by Ordinary General Meeting on 25.06.2009
Uniformed text, as adopted by Supervisory Board of KOGENERACJA S.A.
on 08.10.2009.*

I.

GENERAL PROVISIONS

§ 1

1. The Company name is: Zespół Elektrociepłowni Wrocławskich KOGENERACJA Spółka Akcyjna.
2. The Company may also use the following names for self identification: Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A. and KOGENERACJA S.A. as well as a distinguishing logo.
3. The company base is the city of Wrocław.

§ 2

The establishment of the Company was as a result of the transformation of the former state-run enterprise named: Zespół Elektrociepłowni Wrocław.

§ 3

The Company operates under the code of Commercial Companies, in accordance with the Bill of August 30, 1996 on commercialisation and privatisation of state-run enterprises (Dz. U. No. 118, Item 561 with later amendments), as well as the present charter.

§ 4

1. The Company operates on the territory of the Republic of Poland and abroad.
2. The Company may create and liquidate plants, branches, merge companies, access existing companies and participate in other undertakings within the scope of operations.

II.

COMPANY SCOPE OF BUSINESS

§ 5

The Company scope of business includes the:

- 1) Repair and conservation of electric equipment [33.14]
- 2) Installation of industrial machines, equipment and appliances [33.20]

- 3) Recovery of Raw materials from segregated materials [38.32.Z]
- 4) Production of electric power [35.11.Z]
- 5) Transmission of electric power [35.12.Z]
- 6) Distribution of electric power [35.13.Z]
- 7) Marketing of electric power [35.14.Z]
- 8) Production and supply of steam, hot water and air to ventilation systems [35.30.Z]
- 9) Collection, treatment and distribution of water [36.00Z]
- 10) Construction of residential and non residential buildings [41.20.Z]
- 11) Construction of transmitting pipelines distribution network [42.21.Z]
- 12) Construction of telecommunication and electric power lines [42.22.Z]
- 13) Construction of other land and water engineering objects not classified anywhere else [42.99.Z]
- 14) Construction and assembly of electric installations [43.21Z]
- 15) Construction and assembly of heat distribution, water, ventilation and gas installations [43.22Z]
- 16) Wholesale of fuels and derivative products [46.71.Z]
- 17) Other wholesales [46.90.Z]
- 18) Other retail sales beyond shopping chains, market stalls and markets [47.99.Z]
- 19) Railroad transport of goods [49.20.Z]
- 20) Pipeline transport of gas fuels [49.50.A]
- 21) Pipeline transport of other goods [49.50.B]
- 22) Other forms of granting loans [64.92.Z]
- 23) Other financial activities not classified anywhere else with the exemption of insurance and retirement funds [64.99.Z]
- 24) Other auxiliary financial activities with exemption of insurance and retirement funds [66.19.Z]
- 25) Other financial activities not classified anywhere else [96.09.Z].

III.

SHARE CAPITAL

§ 6

1. The share capital of the Company amounts to PLN 74.500.000 (in words: seventy four million and five hundred thousand zlotys).

§ 7

1. The share capital is divided into 14.900.000 (in words: fourteen million and nine hundred thousand) ordinary bearer shares of the nominal value of 5.00 (in words: five) zlotys each, comprising of A Series shares bearing the numbers from A 000 000 001 to A 010 900 000 and B Series shares bearing the numbers from B 000 000 001 to B 004 000 000.
2. In the case of new emission of shares, each next emission will be marked consecutively in an alphabetical order.

§ 8

1. The shares of the Company are bearer shares.
2. The shares may be remitted in a way and under conditions determined by resolutions of the General Meeting. The remittance of shares through share capital reduction may take place only in order to cover the Company losses.

IV.

COMPANY AUTHORITIES

§ 9

The Company's authorities consist of:

1. The Management Board,
2. The Supervisory Board,
3. The General Meeting.

MANAGEMENT BOARD (BOARD OF DIRECTORS)

§ 10

1. The Management Board of the Company comprises of 2 to 6 persons. The number of its members is determined by the Supervisory Board.
2. The term of the Management Board is three years. The members of the Board are appointed jointly for a particular term:
3. The Chairman of the Management Board on the one hand and on his/her motion on the other, the Supervisory Board appoints and dismisses its members.
4. If, on average, in a given year the Company employs more than 500 workers, one member of the Management Board is elected by employees of the Company. The results of the elections are binding for the body entitled to appoint the Management Board. Failure to elect a representative of the employees of the Company to the Management Board does not deny the Management Board the right to adopt important resolutions that are binding.
5. The Supervisory Board resolves election regulations containing the rules of electing and dismissing of a member of the Management Board elected by employees of the Company as well as the rules of by-elections specified in Clause 7.
6. The elections specified in Clause 5 above are clandestine, direct and general as carried out by the Electoral Commission appointed amongst employees of the Company by its Supervisory Board. Neither a candidate for the post of the member of Management Board, nor a former member of Management Board elected by employees may be appointed a member of the Electoral Commission.
7. Dismissal, death or any other important reason resulting in the reduction of the number of the members of the Management Board by a single member elected by employees of the Company results in by-elections. The by-elections are ordered by the Supervisory Board within three weeks from the moment it acquires information on the circumstances that justify them.
8. Voting on the dismissal of a member of the Management Board elected by employees is carried out on the motion of at least 15% of employees of the Company.
9. The Supervisory Board orders the election of a member of the Management Board elected by employees for the next term within two months of the last term in office of the Management Board. Such election should take place within two months of the date decreed by the Supervisory Board.

§ 11

1. The Management Board of the Company manages and represents it in court and beyond. The competencies of the Management Board include all issues that are not reserved under this charter for the Supervisory Board or General Meeting.
2. The Regulations of the Management Board describe in detail the manner in which the Management Board operates. They are resolved by the Management Board and approved of by resolution of the Supervisory Board.

3. The resolutions of the Management Board require issues that exceed regular management, especially the organisational regulations that describe the organisation of the Company's operations, obtaining loans, granting credit guarantees and collateral, appointing and dismissing proxies, sales and purchase of fixed assets with values exceeding the equivalent in PLN of 50,000 EURO as well as matters that the Management Board sends to the Supervisory Board or General Meeting.
4. The competencies of the Management Board also includes the purchasing and selling of real estate properties, perpetual usufruct or shares in real estates with the reservation that should the value of a real estate, perpetual usufruct or share in real estate properties exceeds the equivalent (in PLN) of EURO 500.000 (in words: five hundred thousand) such a transaction requires a prior consent of the Supervisory Board, and when such value exceeds the equivalent (in PLN) of EURO 5.000.000 (in words: five million) also needs the consent of the General Meeting.

§ 12

For will declaration and signing on behalf of the Company, a mutual action of two members of Management Board or one member of the Management Board by Proxy is required.

§ 13

Contracts of employment with the President and other members of the Management Board – under the rules described in the resolutions of the Supervisory Board – are stricken up in the name of the Company by a representative of the Supervisory Board delegated among its members. Other lawful actions between the Company and a member of the Management Board are conducted in the same mode.

SUPERVISORY BOARD

§ 14

1. The Supervisory Board is made up of 5 to 15 members.
2. The term of office of the Supervisory Board lasts for three years. Members of the Supervisory Board are appointed jointly for a term.
3. The number of the members of the Supervisory Board is determined by a resolution of the General Meeting.
4. Employees are entitled for election to the Supervisory Board in a direct and general elections carried out by secret balloting with a binding result for the General Meeting:
 - 1) two members in the Supervisory Board of 6 members,
 - 2) three members in the Supervisory Board of 7 to 10 members,
 - 3) four members in the Supervisory Board of 11 or more members.

5. Should the Supervisory Board lose a member or members other than the ones elected by employees of the Company, the General Meeting shall appoint new members to the Supervisory Board within six months of the moment of acquirement of the information on such situation.
6. Dismissal, death or any other important reason resulting in the reduction of the number of the members of the Supervisory Board elected by employees results in by-elections. The by-elections are ordered by the Supervisory Board within three weeks of the moment it acquires the information on the circumstances that justify them.
7. The voting on dismissal of a member of the Supervisory Board elected by employees of the Company is carried out on the motion of at least 15% of the total number of employees. The principles of voting are described in the regulations on elections and dismissal of members of the Supervisory Board elected by employees as mentioned in Clause 8 below.
8. The Supervisory Board resolves the regulations on elections, describing in detail the election and dismissal of members of the Supervisory Board elected by employees as well as the way by-elections are carried out as mentioned in Clause 6 above.
9. The elections mentioned in Clause 6 above are carried out by secret balloting, direct and general and are executed by the Electoral Commission as appointed by the Supervisory Board amongst employees of the Company. The makeup of the Electoral Commission may not include members of the Supervisory Board elected by employees.
10. The Supervisory Board orders the elections of the members of the Supervisory Board elected by employees of the Company for the next term of office within two months of the last financial year of their term in office.

§ 15

1. The Supervisory Board elects its Chairman, Vice Chairman and Secretary from within its members in a secret vote.
2. The Supervisory Board may dismiss its Chairman, Vice Chairman or Secretary in a secret vote.
3. Sessions of the Supervisory Board are convened and chaired by its Chairman and, should he/she be unable to do so, then by the Vice Chairman or the person indicated by the Chairman.

The Chairman of the Supervisory Board of the previous term convenes and opens the first meeting of the newly elected Supervisory Board and chairs it until the moment a new Chairman of the Supervisory Board is elected. If within one month of notification of the Chairman of the Supervisory Board of the previous term, by the Management Board on the appointment of members by the General Meeting to the Supervisory Board of the new term, and the said Chairman fails to convene the first meeting of the Supervisory Board, then it is the President of the Management Board who convenes and opens it.

§ 16

1. The Supervisory Board holds its meetings at least three times in a financial year.
2. The Chairman of the Supervisory Board has the duty to convene a meeting on a written motion of at least two-fifths of all members of the Supervisory Board or on the motion of the Management Board of the Company. The meeting should take place within two weeks of submission of such motion.

§ 17

1. The Supervisory Board adopts its resolutions with an absolute majority of votes with at least half of its members present. The absolute majority of votes mean at least one vote more than the total number of the other votes duly casted, i.e. the votes against and those abstaining.
2. Members of the Supervisory Board may take part in reaching resolutions by casting their votes in writing through an intermediary who himself/herself is a member of the Supervisory Board. The vote in writing cannot concern the issues introduced in the Agenda during the meeting of the Supervisory Board.
3. Members of the Supervisory Board may adopt resolutions in writing or by using the means of remote but direct communication. Such resolutions are valid when all members of the Supervisory Board are notified on the contents of the draft resolution.
4. Adopting resolutions under Clauses 2 and 3 above does not concern the electing of the Chairman and Vice Chairman of the Supervisory Board, appointment of members of the Supervisory Board or dismissal or suspension from duties of these persons.
5. The Supervisory Board resolves its regulations which in detail describe the ways it functions.

§ 18

1. The Supervisory Board oversees the Company's operations.
2. The competencies of the Supervisory Board include, in particular:
 - 1) adoption of the regulations of the Management Board of the Company and the opening of the organisational regulations that determine the organisation of the Company's operations,
 - 2) determination of the remuneration principles of the Management Board and remuneration amounts of its members,
 - 3) appointment and dismissal, in a secret vote, of the members of the Management Board or the whole Management Board,
 - 4) suspension from duties, for important reasons, in a secret vote, of a member of the Management Board or the whole Management Board,
 - 5) delegation of a member or members of the Supervisory Board to temporarily discharge the duties of a member of the Management Board of the Company in case of suspension or dismissal of any of its members or the whole Management Board or when the Management Board cannot discharge its duties for other reasons,

- 6) giving consent, on the motion of the Management Board, for the creation of branches abroad,
- 7) giving consent, on the motion of the Management Board to members of the Management Board to accept posts in the company's authorities of companies in which the Company holds stocks or shares and receiving remuneration in so doing.
- 8) giving consent, on the motion of the Management Board, on the sales of fixed assets not related to the Company's operations and for the purchases and sales of real estate properties, perpetual usufruct or shares in the real estate properties, if the value of the fixed assets, properties, perpetual usufruct or share in a property exceeds the equivalent (in PLN) of EURO 500.000 (in words: five hundred thousand),
- 9) selection of the auditor of the financial reports,
- 10) report assessment of the Management Board on the operations of the Company and financial report as regards their adherence to the books and documents as well as to the actual state of affairs,
- 11) motions assessment of the Management Board concerning the allocation of profits or coverage of losses,
- 12) submission in writing, to the General Meeting, of the report on the results of the actions mentioned in Clauses 10 and 11 above,
- 13) adoption, in the form of a resolution, for internal purposes of the Company, of the uniform text of the Articles of Association, as compiled by the Management Board of the Company, in the way described in § 30, Clause 6.

§ 19

1. Members of the Supervisory Board execute their rights and obligations in person.
2. The remuneration of the members of the Supervisory Board is determined by the General Meeting, as stipulated in Clause 3.
3. The remuneration of the members of the Supervisory Board delegated to temporarily discharge the duties of a member of the Management Board is determined by resolution of the Supervisory Board.
4. A member of the Supervisory Board may not remain in working relation with the Company, nor provide work or services for it under any other legal title. The prohibition on the said working relation with the Company does not concern the persons who are elected by employees of the Company.
5. A member of the Supervisory Board may not conduct any activities that would contradict his/her duties or could arouse suspicion of bias or conflict of interest. Such activity also means discharging duties of a trade union that is active in the Company.

GENERAL MEETING

§ 20

1. The General Meeting debates as Ordinary or Extraordinary.
2. The General Meeting is convened by the Management Board of the Company.
3. The Supervisory Board may convene a General Meeting should the Management Board fail to do so within the time specified hereby, Article 28 clause 3 of the Articles of Association as well as the extraordinary General Meeting should she deem it necessary.
4. Shareholders representing at least half of the overall company capital or At least half of the overall votes in the company may convene the extraordinary General Meeting of shareholders. Shareholders appoint a chairman of such gathering.
5. A shareholder or shareholders representing at least one-twentieth of the overall company capital may demand the convening of the extraordinary General Meeting and include definite matters into the agenda of such a gathering. The demand for convening the extraordinary General Meeting should be submitted in writing or by electronic mail to the Management Board.

§ 21

1. As stipulated in Art. 404 of the Code of Commercial Companies, the General Meeting may adopt resolutions only on the issues that are included in the Agenda.
2. The Agenda is determined by the Management Board and, in the situation defined in § 20, Clause 5, the entity convening the General Meeting.
3. A shareholder or shareholders representing at least one-twentieth of the overall company capital may demand the inclusion of definite matters into the agenda of the nearest General Meeting. This demand should be put forward to the Management Board not later than twenty-one days before the fixed deadline of the gathering. The demand should include a justification or a resolution project regarding the proposed point for discussion in the agenda. The demand may be submitted by electronic mail.
4. A shareholder or shareholders representing at least one-twentieth of the company's capital, before the expiration deadline of the General Meeting may put forward to the company' in writing or by electronic communication a resolution Project concerning matters included in the agenda of the General Meeting or matters to be included in the agenda The company is obliged without delay to place these resolutions in its website.
5. Every shareholder may, during the General Meeting ,put forward resolutions concerning matters included in the agenda.

§ 22

General Meetings take place at the Company's headquarters.

§ 23

The General Meeting is opened by the Chairman of the Supervisory Board or the person indicated by him/her and after that the Chairman is elected by those entitled to vote.

§ 24

1. Resolutions of the General Meeting are required, especially, for the following reasons:
 - 1) consideration and adoption of the report of the Management Board on the Company's business and financial report for the previous financial year as well as give acceptance vote to the members of the Company's authorities for their performance in the execution of functionary duties,
 - 2) allocation of profits or coverage of losses,
 - 3) change in the nature of the Company's operations,
 - 4) changes in the Articles of Association,
 - 5) increase or reduction of the Company's share capital,
 - 6) ways and conditions of remitting shares,
 - 7) fusion and transformation of the Company,
 - 8) dissolution and liquidation of the Company,
 - 9) emission of bonds, convertible bonds or priority bonds,
 - 10) sale and lease of the Company or its organised part as well as the establishment of a limited property right on it,
 - 11) all decisions that concern compensation claims for losses incurred during the Company establishment or while managing or supervising it,
 - 12) purchase of own shares under Art. 362 § 1, Clause 5 of the Code of Commercial Companies,
 - 13) creation and release of capitals and funds of the Company as well as decisions on the allocation of the stand-by and reserve capitals,
 - 14) giving consent for the purchases and sales of real estate properties, perpetual usufruct rights or shares in the real estate properties of the value that exceeds the equivalent (in PLN) of EURO 5.000.000 (in words: five million) EURO.
2. The General Meeting executes the competencies listed in Clause 1 above on the motion of the Management Board or on the motion of the shareholders as endorsed by the Management Board.

§ 25

A change in the nature of the Company's operations may take place without the onus to repurchase shares, under Art. 417 § 4 of the Code of Commercial Companies.

V.

ADMINISTRATION OF THE COMPANY

§ 26

1. The calendar year is the financial year of the Company.
2. The first financial year of the Company starts on the day of its registration and ends on December 31, 1991.

§ 27

1. The Company creates the following capitals and funds:
 - 1) share capital,
 - 2) stand-by capital,
 - 3) revaluation reserve capital,
 - 4) other reserve capitals,
 - 5) Company's social benefits fund.
2. The Company – by a resolution of the General Meeting – may create and release other capitals and funds at the beginning and during the financial year.
3. The allocation of the stand-by and reserve capitals is decided by the General Meeting and by regulations of the funds adopted by the Supervisory Board on the motion of the Management Board.

§ 28

1. The Company Management Board is obliged to:
 - 1) compile the financial report as well as the report on the Company's operations in the financial year within three months of the balance sheet date,
 - 2) submit the financial report for audit,
 - 3) submit the documents mentioned in 1) to the Supervisory Board for its opinion along with the auditor's report.
2. The Management Board is obliged to submit to the Ordinary General Meeting the documents mentioned in 1) for their adoption.
3. The Ordinary General Meeting should take place within six months of the last financial year.

§ 29

1. The allocation of net profits is determined by resolution of the General Meeting.
2. The General Meeting makes deductions from the profits for the stand-by capital under Art. 369 § 1 of the Code of Commercial Companies.

3. The General Meeting may allocate a part of the profits to:
 - 1) other capitals and funds or other purposes determined by resolution of the General Meeting,
 - 2) dividend.
4. Dividend day and the date of dividend payment are determined by the Ordinary General Meeting in its resolution on allocation of the annual profit among shareholders. Dividend day may be set within the next three months counting from the day of the resolution on allocation of the annual profit among shareholders.

VI.

FINAL PROVISIONS

§ 30

1. The Company publishes its announcements in the judicial and economic gazette. Announcement on convening the General Meeting is placed in the company's website as well as in any other way defined for the passing-over of current information in accordance with the rules on public offers and conditions of the implementation of stock-exchange financial instruments as well as public companies.
2. Resolutions of the General Meeting adopted under Art. 405 § 1 of the Code of Commercial Companies, with the exception of those subject to be entered in a register, should be published in the judicial and economic gazette within one month.
3. The Management Board of the Company is obliged – within fifteen days from the date of adoption of the financial report of the Company by the General Meeting – to submit for announcement to Monitor Polski B (gazette), balance sheet, profit and loss account with the report on cash flow for the financial year and opinion of the auditor as well as the copy of the resolution confirming the financial report and the allocation of profits or loss coverage.
4. cancelled
5. cancelled
6. Each time, immediately, the amendments to the Articles of Association is entered into the register, the Management Board of the Company is obliged to compile a uniform text and send it for adoption by the Supervisory Board.