

**- DRAFT -**

**THE CONSOLIDATED TEXT OF THE ARTICLES OF ASSOCIATION OF ELEKTROTIM S.A.**

- the draft includes the change of the Articles of Association of the Company with the draft Resolution No. 26/WZA/2015 of the Ordinary General Meeting of Shareholders of ELEKTROTIM S.A. planned for 25.05.2015, the change refers to adding Article 8A - Target Capital - subsequent to Article 8 of the Articles of Association

**Chapter I**

General provisions

Article 1

1. The Company runs its business activity under the name ELEKTROTIM Spółka Akcyjna.
2. The Company is entitled to use the abbreviation ET S.A. and ELEKTROTIM S.A., as well as its distinguishing graphic sign.

Article 2

The Company is domiciled in the City of Wrocław.

Article 3

The Company runs its business activity in the territory of the Republic of Poland as well as abroad.

Article 4

The Company can create agencies, branches as well as research and development centres, enterprises and branch offices.

Article 5

The Company can form and be a shareholder or a partner in other companies, including those with foreign capital, acting in the country and abroad, as well as participate in all and every structures and organizational and legal relations admissible by the law.

Article 6

1. The duration of the Company is indeterminate.
2. Announcements required by the law are published by the Company in Monitor Sądowy i Gospodarczy [Court and Economic Monitor].

**Chapter II**

Subject of the Company's business activity

Article 7

1. The subject of the Company's business activity is running every construction and building-related activities, production, commerce, especially:

- 1) Civil engineering works related to constructing facilities (PKD 41 [Polish Classification of Economic Activities])
- 2) Works related to building civil and water engineering objects (PKD 42)
- 3) Specialist construction works (PKD 43)
- 4) Manufacturing metal structures and their elements (PKD 25.11.Z)
- 5) Producing computers, electronic and optical appliances and (PKD 26)
- 6) Producing electrical devices (PKD 27)
- 7) Producing machines and devices not classified otherwise (PKD 28)
- 8) Repair, maintenance and installation of machines and devices (PKD 33)
- 9) Collecting wastes, other than hazardous (38..11.Z)
- 10) Collecting hazardous wastes (38.12.Z)
- 11) Wholesale and retail of passenger cars and wagons (45.11.Z)
- 12) Wholesale trade, excluding vehicles (PKD 46)
- 13) Road transport of goods (49.41.Z)
- 14) Storage and warehousing of remaining goods (52.10.B)
- 15) Services supporting land transportation(52.21 .Z)
- 16) Telecommunication (PKD 61)
- 17) Activity related to software and advising on IT and related activities (PKD 62)
- 18) Providing services related to information (PKD 63)
- 19) Financial services, excluding insurance and pension funds (PKD 64)
- 20) Activity supporting financial services, insurance and pension funds (PKD 66)
- 21) Purchase and resale of real estate for the Company's sole needs (68.10.Z)
- 22) Lease and management over real estate, owned or leased (68.20.Z)
- 23) Real estate management as ordered (68.32.Z)
- 24) Legal activity, book-keeping and tax advice services (PKD 69)
- 25) Activity of central companies (head Office); advice related to management (PKD 70)
- 26) Activity pertaining to architecture and engineering; technical research and tests (PKD 71)
- 27) Scientific research and development (PKD 72)
- 28) Advertisement, market research and public opinions (PKD 73)
- 29) Other professional, scientific and technical activity (PKD 74)
- 30) Rent and lease (PKD 77)
- 31) Detective and security-related services (PKD 80)
- 32) Cleaning (81.29.Z)
- 33) Services related to management of green areas (81.30.Z)
- 34) Administrative office services and other activity that supports running business activity (PKD 82)
- 35) Other extra school forms of education not classified otherwise (85.59.B)
- 36) Activity supporting education (85.60.Z)
- 37) Repair and maintenance of computers and peripheral devices (PKD 95.11.Z)
- 38) Repair and maintenance of (tele)communication devices (PKD 95.12.Z)

2. In the case when any of the aforementioned types of business activity requires a separate permit or a concession, the Company shall begin such business activity after obtaining such permit or concession.

### Chapter III

#### Initial capital. Shares

##### Article 8

1. The Company's initial capital is PLN 9,983,009.00 (say: nine million, nine hundred eighty three and nine) and is divided into:
  - a) PLN 5,206,333 (say: five million, two hundred and six thousand, three hundred thirty three PLN) shares payable to bearer of A series and nominal value being PLN 1.00 (say one PLN) each,
  - b) PLN 793,667 (say: seven hundred ninety three thousand, six hundred sixty seven PLN) shares payable to bearer of B series and nominal value being PLN 1.00 (say one PLN) each,
  - c) PLN 300,000 (say: three hundred thousand PLN) shares payable to bearer of C series and nominal value being PLN 1.00 (say one PLN) each,
  - d) PLN 3.683.009 (say: three million, six hundred eighty three thousand, nine PLN) shares payable to bearer of D series and nominal value being PLN 1.00 (say one PLN) each.
2. Before the Company was registered, the amount of PLN 1.875.000 had been paid (say: one million, eight hundred seventy five thousand PLN) for covering the initial capital.
3. The founders are:
  - 1) TIM S.A.,
  - 2) Diakun Andrzej,
  - 3) Ficoń Bogusław,
  - 4) Grzegorzczak Piotr,
  - 5) Kawecki Marian,
  - 6) Łukomska Maria,
  - 7) Mazur Tadeusz,
  - 8) Mędrek Zdzisław,
  - 9) Skrabski Dariusz,
  - 10) Szymczak Feliks,
  - 11) Ścigała Zenon,
  - 12) Wojdyło Marian,
  - 13) Wójcikowski Artur.

##### Article 8A

1. The General Meeting of Shareholders shall authorise the Board of the Company to increase the share capital of the Company by issuing not more than 316,991 (say: three hundred sixteen thousand, nine hundred ninety one) of new E-series ordinary bearer shares and subsequent series of the nominal value of one share amounting to PLN 1.00 (say one zloty) each and the total nominal value of all new shares not more than PLN 316,991 (say: three hundred sixteen thousand, nine hundred ninety one zlotys) ("**New Shares**") by means of one or several subsequent increases of the share capital (target capital).

2. Authorisation of the Board to increase the share capital as part of the target share expires 3 years since the day of entering the change of the Articles of Association covered by this resolution to the Register of Entrepreneurs of the National Court Register.

3. The Board of the Company may issue the New Shares only for the financial contributions.

4. The Board shall decide about all the cases related to the increase of the share capital as part of the target capital, in particular the Board shall be authorised to:

- 1) set the issuance price of the New Shares, with the consent of the Supervisory Board,
- 2) set dates of opening and closing subscriptions of the New Shares and dates of concluding the Contract on Taking Up Shares,
- 3) set the marking of the subsequent issuance of the New Shares, provided that the first issuance is the E-series issuance,
- 4) conclude Contracts on the Investment Underwriting, Service Underwriting or other contracts securing the successful issuance of the New Shares,
- 5) undertaking all legal and actual issues regarding the dematerialisation of the New shares, including concluding new contracts with the Krajowy Depozyt Papierów Wartościowych S.A. [National Depository for Securities],
- 6) passing resolutions, filing motions, and taking up different actions regarding the applying for approving and floating the New Shares on the regulated market, including concluding contracts with Giełda Papierów Wartościowych w Warszawie S.A. [Warsaw Stock Exchange].

5. The issuance price of the New Share shall be set by the Board, with the Supervisory Board's consent, whereas the issuance price of the New Shares for a given financial year of the Incentive Scheme 2015/2017, where the issuance price of the New Shares for a given year of the Scheme, issued as part of a single increase of the share capital, shall constitute the amount equal to the weighted average rate of the shares of the Company in the exchange quotations on GPW w Warszawie S.A. [Warsaw Stock Exchange] for the period of the last six months, as at 31 March of a given year of the Scheme, decreased by 10%. Setting the issuance price of the New Shares shall require the consent of the Supervisory Board at all times.

6. The Board shall be entitled to carry out the issuance of as much as 316,991 (say: three hundred sixteen thousand, nine hundred ninety one) of the Subscription Warrants, the registered or the bearers, which entitle their holders to subscribe for the New Shares excluding the subscription for the New Shares excluding the subscription right ("**Subscription Warrants**"). The term for executing the right for subscription resulting from the Subscription Warrants shall expire not later than the term for which the authorisation for the Board to increase the share capital as part of the target capital was granted.

7. The issuance price for the Subscript issuance shall be PLN 0.01 (say: one grosz) per each Subscription Warranty.

8. Each Subscription Warrant shall entitle its holder to make a subscription for one New Share.

9. The Board shall decide on all cases related to the issuance of the Subscription Warranties, in particular the Board shall be entitled to specify:

- 1) the Authorised Persons for taking up the Substitution Warrants, where the Members of the Board of the Company and other members of the managerial personnel shall be authorised to take up the Subscription Warrants and such persons shall be appointed under the regulations specified in the resolution of the Ordinary General Meeting of Shareholders of the Company No. 25/WZA/2015 of 25 May 2015 regarding the passing of the assumptions of the Incentive Scheme in the Company;
- 2) the terms and conditions of exercising the rights related to the Subscription Warrant,
- 3) the markings the next issuance of the Subscription Warrants,
- 4) the terms and conditions of dismissing the Subscription Warrants.

10. With the consent from the Supervisory Board, the Board may deprive the current Shareholders, entirely or partly, of the subscription right to the New Shares and with regard to the Subscription Warrants".

#### Article 9

The Company's shares can be bearers or registered.

#### Article 10

Bearer shares are not subject to replacement into registered shares.

#### Article 11

1. The Company can increase its initial capital by way of issuing new shares or increasing the nominal value of existing shares.
2. The Shareholders have a priority to take over new shares, in a proportion adequate to the number of already possessed shares (the law to collect).
3. The General Meeting can increase the initial capital providing resources from the supplementary capital or other reserve capitals allocated from the profit, if these can be used for such purpose.

#### Article 12

1. A share can be redeemed by obtaining a consent to do so from the shareholder by way of purchasing it by the Company (voluntary redemption) or without the shareholder's consent (compulsory redemption).
2. The Company can issue bonds, including senior bonds and bonds convertible to shares. The amount of issued bonds as well as the date, mode and terms of their conversion into shares shall each time be determined by the resolution of the General Meeting.

## **Chapter IV**

### **Company Governing Bodies**

#### **Article 13**

The bodies are:

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

#### **Article 14**

The principles regulating the functioning of the Company governing bodies are determined by regulations set forth in the Code of Commercial Companies, provisions of these Articles as well as the rules and regulations of the said bodies.

### **The Management Board**

#### **Article 15**

1. The Management Board consists of at least one and no more than five members, elected for their common tenure by the Supervisory Board.
2. The Management Board's tenure of office last for no more than 5 years.
3. The number of Members for the Management Board, their tenure of office and remuneration is determined in a resolution on appointment of the Management Board, adopted by the Supervisory Board.
4. The Supervisory Board can dismiss a member of the Management Board before their tenure of office is over. A member of the Management Board can be dismissed or suspended by the General Meeting.

#### **Article 16**

1. The Management Board manages the Company and represents it.
2. All and every issue not reserved by virtue of provisions of law or the Articles regarding competences of other bodies of the Company are within the scope of activities performed by the Board.
3. Resolutions of the Management Board are passed by absolute majority of votes. In the case of equal number of votes the vote of the President of the Board prevails.
4. The mode of operation of the Management Board as well as issues which particular member of the Management Board can be entrusted with are determined in detail in the Rules and Regulations of the Board. The said rules and regulations are passed by the Company's Management Board and are approved by the Supervisory Board.

#### **Article 17**

In order to be entitled to make declarations and statements on behalf of the Company the following cooperation is required:

- 1) two members of the Management Board or
- 2) one member of the Board, along with the Proxy or
- 3) two Proxies, jointly.

Article 18

A member of the Management Board cannot, without obtaining a consent from the Supervisory Board, deal with competitive companies, nor can they participate in a competitive company as a partner, founder or a member of a body in an association of capital, nor can they participate in any other competitive artificial person as a member of its body. The ban includes participation in a competitive association of capital in a case when the said member of the Management Board has at least 10% shares or contribution or the right to appoint at least one member of the Management Board of such capital.

Article 19

In the contract of association between the Company and the member of the Board, as well as during a dispute with such member, the Company is represented by the Supervisory Board. The Supervisory Board can authorize, by virtue of a resolution, one or more members to perform such legal transactions.

**Supervision**

Article 20

1. The Supervisory Board consists of five members appointed by the General Meeting.
2. The Supervisory Board performs the function of an audit committee. The Supervisory Board can select such audit committee appointing persons who are members of the Supervisory Board.
3. The tasks of the audit committee, realized by the Supervisory Board or the selected committee, include:
  - 1) monitoring the process of financial reporting,
  - 2) monitoring the efficiency of internal control systems, internal audit and risk management,
  - 3) monitoring activities related to execution of financial control,
  - 4) monitoring the independence of an expert auditor and the entity authorized to check financial reports
4. At least two members of the Supervisory Board should be independent ones. Independent members are such who are not spouses, descendants and ascendants of members of the Management Board and persons who are not directly dependant on a member of the Management Board or a liquidator.
5. The Management Board's tenure of office lasts for no more than 5 years.
6. The Extraordinary General Meeting appoints and dismisses the Chairperson of the Supervisory Board and its members.
7. The tenure of office for each member of the Supervisory Board, as well as remuneration of its Chairperson and Members is determined in the resolution adopted by the General Meeting.
8. Should the tenure of office for a member of the Supervisory Board expire during their tenure, appointment of a new Member takes place for the tenure of office of this Member whose tenure expired.

Article 21

1. The Supervisory Board selects, from the members it consists of, the Deputy President and the Secretary.
2. Meeting of the Supervisory Board are convened and presided by the Chairperson of the Supervisory Board and should a meeting not be possible to be convened by the President, this is done by their Deputy President or a person indicated by the President.

#### Article 22

1. The Supervisory Board convenes at least three times a year.
2. The Chairperson of the Supervisory Board is obliged to convene a meeting of the Board on a written advice of a Member of the Supervisory Board or the Board. The meeting should take place within two weeks from filing a motion to do so.

#### Article 23

1. Meeting of the Supervisory Board are convened by virtue of effective delivery of invitations to all members of the Supervisory Board, at least seven days before the set date of such meeting.
2. A meeting of the Supervisory Board can take place without a formal convention, providing that all members express their consent to do so and confirm that in a letter or put their signatures on the attendance list.
3. Invitation for all members of the Supervisory Board can be delivered in writing or by means of electronic mail, by a return acknowledgment of receipt.
4. The Supervisory Board adopts resolutions by absolute majority of votes, providing that at least half of the composition of the Supervisory Board is present and all its members have been invited. In the case of equal number of votes the vote of the President of the Supervisory Board prevails.
5. Members of the Supervisory Board can participate in adopting resolutions of the Board casting their votes, in a written form, through the agency of another member of the Supervisory Board. Casting a vote in writing cannot pertain to issues included in the agenda during the meeting of the Supervisory Board.
6. Members of the Supervisory Board can adopt resolutions in a written mode or using means of direct distance communication. A resolution adopted in this way is binding when all members of the Board have been notified of the text of the resolution draft.
7. Voting conducted in the mode referred to in item 6 can be ordered by the Chairperson of the Supervisory Board and, should voting not be possible to be ordered by the Chairperson, this is done by their Deputy Chairperson or a person indicated by the Chairperson.
8. Adopting a resolution in the mode referred to in item 5 and 6 does not apply to appointing the Deputy Chairperson and the Secretary, appointing members of the Management Board and dismissing or suspending such persons.

#### Article 24

1. The Supervisory Board supervises the Company's activity.
2. Apart from issues referred to in the act, other provisions of this Articles or in resolutions of the General Meeting, competences of the Supervisory Board include:
  - 1) assessment of the Company's financial report and consolidated financial report of the group of companies, both with regard to the compliance with account books and documents, as well as with the actuality.

- 2) evaluation of the report presented by the Management Board and concerning the Company's activity and motions pertaining to division of profits or covering a loss, as well as reports related to activity of the Group of Companies
  - 3) providing the General Meeting the annual written report on outcomes of activities referred to in item 1 and 2, including evaluation of the internal control system and the system of risk management crucial for the Company, plus assessment of the work performed by the Supervisory Board,
  - 4) appointing the expert auditor conducting a verification of the Company's financial report,
  - 5) approving annual plans for business activity and long standing plans for the Company's development, as well as considering reports submitted by the Management Board and related to realization of the said plans,
  - 6) appointing and dismissing members of the Management Board and determining their remunerations,
  - 7) suspending, due to important reasons, particular or all members of the Board,
  - 8) delegating a member or members of the Supervisory Board, for a period not exceeding three months, to temporarily perform activities of those members of the Management Board who have been dismissed, resigned or, due to other reasons, cannot perform their activities,
  - 9) adopting working rules and regulations for the Supervisory Board,
  - 10) approving the Rules and Regulations of the Board,
  - 11) expressing consent to raise a credit, a loan, as well as emission of bonds, excluding issuance of convertible senior bonds with of a total value exceeding 20% of own capitals,
  - 12) giving consent to purchase or transfer property of a value exceeding 10% of equity capitals,
  - 13) giving consent to form branches and purchase or taking over shares or contributions in commercial companies as well as joining commercial law companies and private partnerships,
  - 14) giving consent to purchase or transfer real estate, perpetual usufruct or an interest in an immovable property,
  - 15) giving consent by the Company to a natural person or artificial person to get a loan, a guarantee or other liabilities of the Company for the benefit of third parties,
  - 16) giving consent for the Company to conclude a significant, nit typical agreement/transaction, concluded under conditions other than commercial (not routine one) with an associated party,
  - 17) other issues which are within the scope of competences of the Supervisory Board by virtue of unconditionally binding legislative regulations or resolutions of the GM.
3. The Supervisory Board exercises its duties jointly yet it can delegate its members to perform certain supervisory activities by themselves.

#### Article 25

Remuneration of the members of the Supervisory Board is determined by the General Meeting.

### **General Meeting**

#### Article 26

1. The General Meeting can be Extraordinary or Ordinary.

2. The Ordinary General Meeting is convened by the Management Board so that it takes place within six months after each fiscal year of the Company.
3. The Supervisory Board has the right to convene a Usual General Meeting if the Management Board does not convene such within the period specified in item 2.
4. The Extraordinary General Meeting:
  - a) is convened by the Company's Management Board at its own initiative,
  - b) can be convened by the Supervisory Board if it deems it necessary,
  - c) can be convened by the shareholders representing at least half of the initial capital or at least half of the votes in the Company. Shareholders appoint the president of such meeting
  - d) the meeting can be convened at a shareholder's or shareholders' request if they represent at least one twentieth of the initial capital. Such shareholder or shareholders can demand that specific issues be added to the agenda of such meeting. A request for an Extraordinary General Meeting should be submitted to the Management Board in writing or by means of electronic mail.

#### Article 27

1. The General Meeting takes place in the Company's seat or any other place determined by the Management Board and being in the territory of the Republic of Poland.
2. The Company convenes a General Meeting by publishing an announcement on the Company's webpage and in a way determined as appropriate for conveying current information, pursuant to regulations concerning public offers and conditions for implementing financial instruments into the system and instruments related to public companies.

#### Article 28

1. Shareholders can participate in the General Meeting in person or through the agency of proxies.
2. Resolutions of the General Meeting are passed by absolute majority of votes, unless this Articles of Association provide different.
3. The Company does not allow to take part in the General Meeting by means of electronic communication.

#### Article 29

Resolutions of the General Meeting must be adopted in cases referred to in the Code of Commercial Companies, especially those pertaining to:

- 1) considering and approving the report submitted by the Company's Management Board and the financial report for the previous fiscal year, as well as the report on the Groups of Companies and the consolidated financial report of the Group of Companies for the previous fiscal year,
- 2) adopting a resolution of profit division or covering a loss,
- 3) acknowledging fulfilment of duties for the Company's bodies,
- 4) changing the subject of the Company's business activity,
- 5) changing the Company's articles of association,
- 6) increasing or decreasing the initial capital,
- 7) decisions concerning claims to make amends that happened during the Company's creation or supervising or managing it,

- 8) transferring or leasing a Company's enterprise or its organized part and establishing rights in property on them,
- 9) issuance of convertible or senior bonds and issuance of subscription warrants, as referred to in item 453 Article 2 of the Company law Code,
- 10) purchasing new equity shares which are to be offered to the employees or persons who were employed in the Company or its related company through the period of at least three years,
- 11) dissolution and liquidation of the Company,
- 12) a fusion with another company,
- 13) appointing members of the Supervisory Board and determining their remunerations,
- 14) dismissing members of the Supervisory Board before the expiry date of their tenure of office,
- 15) considering and settling issues motioned by the Supervisory Board,
- 16) appointing and dismissing liquidators and determining their remunerations,
- 17) acquiring the right to dividend and the dividend payment term.

#### Article 30

Voting during the General Meeting is open. Secret ballot can take place during elections and in the case of petitions for dismissing members of the bodies or the Company's liquidators or when prosecuting, as well as in the case of voting on personal issues.

#### Article 31

1. The General Meeting is opened by the President of the Supervisory Board or the person indicated by them while the President of the General Meeting is elected from among persons entitled for voting. Should these persons not be present the General Meeting is opened by the President of the Management Board or the person appointed by the Board.
2. The General Meeting defines, in detail, the mode of proceeding which is determined in the Rules and Regulations of the General Meeting for ELEKTROTIM S.A.

### **Chapter V**

#### Accountancy of the Company

#### Article 32

The Company's fiscal year is a calendar year.

#### Article 33

The Company forms the following capitals and funds:

- 1) initial capital,
- 2) supplementary capital,
- 3) reserve capital,
- 4) reward fund,

and other capitals and funds planned and allowed by legislative regulations.

#### Article 34

The Company's net profit can be intended for:

- 1) deductions for supplementary capital,

- 2) deductions for other capitals and funds planned and allowed by legislative regulations,
- 3) dividend for the shareholders,
- 4) other purposes defined in the resolution of the General Meeting.

#### Article 35

1. The Company's Management Board is entitled to provide the shareholders with advance on the dividend planned at the end of the fiscal year, providing that the Company has resources to provide payment.
2. Such advance payment requires a consent of the Supervisory Board.
3. The Company can pay the advance for the planned dividend of its approved financial report for the previous year shows profit.
4. The advance payment can constitute no more than half of the profit gained from the end of the previous fiscal year, as indicated in the financial report, verified by an expert auditor, increased by reserve capitals formed from the profit which, for the purposes of advance payments, can be used by the Board, and decreased by uncovered losses and equity shares.
5. The planned date for paying advance payments shall be notified by the Management Board at least four weeks before starting such payments, providing the day on which the financial report was made, the amount intended for payments as well as the day according to which persons entitled to advances are selected. The day shall be within a period of seven days before the date when payments begin.

### **Chapter VI**

#### Final Provisions

#### Article 36

In cases not regulated in this Articles of Association regulations of the Code of Commercial Companies and other legislative regulations apply.

President of the Supervisory Board

Krzysztof Folta

Members of the Supervisory Board:

Stefan Dzedziul

Wojciech Szymon Kowalski

Mateusz Rodzynkiewicz

Jan Walulik