Polski Holding Nieruchomości S.A.
00-124 Warszawa, al. Jana Pawła II 12
phone +48 22 850 91 00, fax +48 22 850 91 01
www.PHNSA.pl

POLSKI HOLDING
NIERUCHOMOŚCI S.A.

Amendments to the Company's Articles of Association adopted by the Extraordinary General Meeting of Polski Holding Nieruchomości S.A. on September 2, 2015

,,ARTICLES OF ASSOCIATION
OF POLSKI HOLDING NIERUCHOMOŚCI SPÓŁKA AKCYJNA

I. GENERAL

§ 1

1. The Company runs its business under the name: "Polski Holding Nieruchomości" Spółka Akcyjna.
2. The Company may use its abbreviated name: "Polski Holding Nieruchomości" S.A.
3. The Company may use its distinctive graphic sign.

§ 2

The Company was established by State Treasury.

§ 3

1. The Company is based in Warsaw.
2. The Company runs its business within and outside the territory of the Republic of Poland.
3. The Company may establish and run branches, sites, offices, representative offices and other units, and may own shares in other companies and projects within and outside the territory of the Republic of Poland.
4. The Company may be a member of domestic or foreign associations.

§ 4

The Company was established for an indefinite period in order to conduct business activities.

§ 5

The Company may issue convertible bonds or bonds carrying preemption rights to the Company's shares issued in the future. The principles for issuing the bonds referred to in the previous sentence shall be specified under a Resolution of the General Meeting.

II. OBJECTS OF THE COMPANY

§ 6

The objects of the Company are:

1. Activities of head offices; management consultancy activities (Division 70),
2. Real estate activities (Division 68),
3. Renting and leasing activities (Division 77),
4. Financial service activities, except insurance and pension funding (Division 64),
5. Activities auxiliary to financial services, insurance activities and pension funding (Division 66),
6. Construction of buildings (Division 41),
7. Architectural and engineering activities; technical testing and analysis (Division 71),
8. Construction of civil engineering projects (Division 42),
9. Services to buildings and landscape activities (Division 81),

10. Accommodation (Division 55),
11. Food and beverage service activities (Division 56),
12. Specialized construction activities (Division 43),
13. Office administrative service activities and other business support service activities (Division 82),
14. Advertising, market research and public opinion polling (Division 73),
15. Legal, accounting, bookkeeping and tax consultancy services (Division 69),
16. Activities linked to employment (Division 78),
17. Computer programming, consultancy and related activities (Division 62),
18. Telecommunications (Division 61),
19. Repair and maintenance of computers and personal and household goods (Division 95),
20. Crop and animal production, hunting and related service activities (Division 01),
21. Sewerage (Division 37).

III. SHARE CAPITAL

§ 7

1. The Company's share capital is PLN 43,384,003 (in words: forty-three million three hundred eighty-four thousand three zlotys), and is divided into 43,384,003 (in words: forty-three million three hundred eighty-four thousand three) shares with a nominal value of PLN 1 (in words: one zloty) each, including:
   a) 100,000 (in words: one hundred thousand) ordinary A-series shares with numbers ranging from A – 000001 to A – 100000,
   b) 39,900,000 (in words: thirty-nine million nine hundred thousand) ordinary B-series shares with numbers ranging from B – 00000001 do B – 39900000,
   c) 3,384,003 (in words: three million three hundred eighty-four thousand three) ordinary D-series shares with numbers ranging from D – 0000001 to D – 3384003.
2. The share capital was fully paid-in prior to the Company's registration.
3. The Company's shares are ordinary shares.
4. A, B and D-series shares are bearer shares.
5. Bearer shares may not be exchanged for registered shares.

§ 8

1. The nominal value of conditional increase of the share capital is PLN 4,353,000 (in words: four million three hundred fifty-three thousand zlotys). As part of conditional increase of the share capital, 4,353,000 (in words: four million three hundred fifty-three thousand) ordinary C-series bearer shares shall be issued, with a nominal value of PLN 1 (in words: one zloty) each.
2. The purpose of conditional increase of the share capital is to grant rights to acquire C-series shares to holders of subscription warrants.
3. The deadline for exercising the right to acquire C-series shares expires on October 11, 2021. The declaration on shares acquisition, as referred to in Article 451.1 of the Commercial Companies Code, may be submitted no earlier than upon expiry of restrictions applicable to the disposal of shares or employee participations acquired free of charge by eligible employees of: Warszawski Holding Nieruchomości S.A., Intraco S.A., Budexpo Sp. z o.o., and Dalmor S.A., as specified in Article 38.3 of the Commercialization and Privatization Act.
4. Persons entitled to acquire C-series shares are holders of subscription warrants and their legal successors, subject to restrictions provided for in the Resolution on Issuing Subscription Warrants and in the content of subscription warrants.
5. Shares issued as part of conditional increase of the share capital may be acquired for cash contributions only, including those paid entirely or partially as per the offset agreement.

6. C-series shares shall participate in the dividend under the following terms:
   a) shares issued (respectively: credited to the securities account as provided for in the Financial Instruments Trading Act) no later than on the dividend record date specified in the Resolution of the General Meeting deliberating on profit distribution shall participate in the dividend starting from the profit from the previous financial year, i.e. from January 1 of the financial year directly preceding the year of delivering (crediting) the respective shares;
   b) shares issued (respectively: credited to the securities account as provided for in the Financial Instruments Trading Act) after the dividend record date specified in the Resolution of the General Meeting deliberating on profit distribution shall participate in the dividend starting from the profit from financial year where the respective shares were delivered (credited), i.e. from January 1 of that financial year.

§ 9

1. The Company's shares may be redeemed upon the consent of the Shareholder concerned (voluntary redemption).
2. A Shareholder shall be entitled to remuneration for the redemption of his/her shares. The amount of the remuneration may not be lower than the value of net assets attributable to those shares, as specified in the financial statements from the last financial year, reduced with the amount intended to be distributed between the shareholders. Upon the shareholder's consent, shares may be redeemed without any remuneration.
3. The share capital must be decreased upon redemption of shares.
4. Each time, the principles, procedures and conditions for share redemption shall be specified in a Resolution of the General Meeting.

§ 10

The share capital may be increased under a Resolution of the General Meeting by issuing new shares or by increasing the nominal value of shares.

§ 11

The Company may acquire own shares in cases provided for in Article 362.1 of the Commercial Companies Code.

§ 12

The share capital may be reduced as provided for in Articles 455-458 of the Commercial Companies Code.

§ 13

The Company's supplementary capital shall be increased under provisions of Article 396 of the Commercial Companies Code.

§ 14

The Company's shares are transferable.

IV. GOVERNING BODIES OF THE COMPANY

§ 15

The governing bodies of the Company are:

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

§ 16

1. Subject to mandatory provisions of the Commercial Companies Code, and subject to provisions hereof, Resolutions of the Company's governing bodies shall be adopted by absolute majority of votes. Absolute majority of votes shall mean more votes cast "for" than "against" and abstentions.
2. In the case of equal number of votes when adopting resolutions by the Management Board or Supervisory Board, the vote of the President of the Management Board or the vote of the President of the Supervisory Board, respectively, shall prevail.

A. MANAGEMENT BOARD

§ 17

1. The Management Board runs the Company's business and represents the Company in all judicial and non-judicial matters.
2. Any and all matters related to running the Company's business, other than matters attributable to the competence of the General Meeting or Supervisory Board in accordance with legal regulations or with the provisions hereof, shall be attributable to the competence of the Management Board.
3. All Members of the Management Board are required and entitled to jointly run the Company's business. Where a resolution of the Management Board is not required, Members of the Management Board may run the Company's business individually, to the extent provided for in the Rules of the Management Board.

§ 18

1. To make statements on behalf of the Company, two Members of the Management Board, or one Member of the Management Board and a holder of commercial power of attorney, must act jointly.
2. If the Management Board comprises of one person, one Member of the Management Board shall be entitled to make statements on behalf of the Company.
3. A holder of commercial power of attorney may be appointed only under a resolution adopted unanimously by all members of the Management Board. Commercial power of attorney may be revoked by any Member of the Management Board.
4. The procedures for the operation of the Management Board are detailed in the Rules of the Management Board, as specified by the Management Board and approved by the Supervisory Board.
5. Also entitled to make statements, sign agreements and undertake obligations on behalf of the Company are persons acting under powers of attorney granted by the Management Board under the provisions of the Civil Code.

§ 19

1. All§ matters beyond the scope of the Company's ordinary activities require a resolution to be adopted by the Management Board.
2. The following matters, without limitation, require a resolution to be adopted by the Management Board:
   1) specifying the Rules of the Management Board,
   2) specifying the Organizational Rules,
   3) establishing and winding up branch offices,
   4) appointing a holder of commercial power of attorney,
   5) borrowing,
   6) adopting yearly material and financial plans, and multi-year strategic plans,
   7) purchasing (acquiring) or disposing of the following assets by the Company:
      (a) real estate, perpetual usufruct or shares in real estate,
      (b) property, plant and equipment other than real estate,
      (c) shares or other titles of participation in companies,

with a value beyond EUR 200,000.00,

8) encumbering the assets that meet the criteria referred to in item 7 above with limited rights in rem, in the amount (total security value) beyond EUR 200,000.00,
9) entering by the Company into agreements other than specified above or undertaking obligations other than specified above with a value beyond EUR 200,000.00,
10) matters requested by the Management Board to be examined by the Supervisory Board or General Meeting,
11) specifying the way of exercising the right to vote at the General Meeting or at the meeting of associates of companies whose shares or participations are owned by the Company,
12) disbursement of an advance payment of the expected dividend.

3. The Management Board may adopt a resolution in respect to any other matter raised at the session of the Management Board under due procedure provided for in the Rules of the Management Board.
4. Members of the Management Board may participate in the adoption of the Management Board's resolutions by casting their votes in writing through another Member of the Management Board. Votes may not be cast in writing in respect to matters introduced to the agenda during the session of the Management Board.
5. The Management Board may adopt resolutions in writing or by using direct telecommunication means.

§ 20

It is the responsibility of the Management Board to develop plans referred to in § 19, subs. 2, item 6, and to submit them for approval to the Supervisory Board.

§ 21

1. The Management Board may comprise of one to six members, including the President of the Management Board and (if more than one person is appointed as Member of the Management Board) the Vice-President and other members of the Management Board elected for a joint term of office by the Supervisory Board. The number of members may be changed during the term of office.
2. The term of office of Management Board Members is three years.
3. The President of the Management Board directs the work of the Management Board, and convenes and chairs the sessions thereof. The President of the Management Board may authorize another Member of the Management Board to convene and chair the sessions of the Management Board.

§ 22

1. The Management Board shall provide the Supervisory Board with quarterly (or more frequent) reports on relevant events in the Company's business. Such report shall also include the report on the Company's revenue, costs and financial result.
2. The Supervisory Board may specify the detailed scope of reports referred to in subs. 1.

§ 23

1. Members of the Management Board, or the entire Management Board, are appointed and dismissed by the Supervisory Board, subject to subs. 2 and 3.
2. As long as this requirement is implied by mandatory laws, Members of the Management Board shall be appointed after the Supervisory Board completes a qualification procedure based on the Regulation on the recruitment process for the position of management board in certain commercial companies.
3. Each Member of the Management Board may be dismissed or suspended by the General Meeting or by the Supervisory Board. The Supervisory Board may suspend a Member of the Management Board for material reasons.

4. The Member of the Management Board shall submit his/her written letter of resignation to the Supervisory Board, at the address of the Company's principal office, with carbon copy to the Minister of State Treasury, as long as State Treasury is a shareholder of the Company.

§ 24

Subject to mandatory laws, the principles and amounts of remuneration of all Members of the Management Board are specified by the Supervisory Board.

§ 25

1. The employer, within the meaning of the Labor Code, is the Company.
2. Activities in the area of labor law are performed by the President of the Management Board, or by his/her authorized representatives, subject to provisions of § 35, subs. 1.

B. SUPERVISORY BOARD

§ 26

1. The Supervisory Board exercises permanent supervision over the Company's business in all of its activity areas.
2. The Supervisory Board acts under the Rules of the Supervisory Board adopted by itself.

§ 27

1. Competences of the Supervisory Board include:
   1) assessing the Management Board's report on the activities of the Company and the financial statements for the previous financial year, in terms of accuracy and consistence with ledgers and documents. This is also applicable to the Group's consolidated financial statements and to the report on the activities of the Group,
   2) reviewing the Management Board's motion on profit distribution or coverage of losses,
   3) providing the General Meeting with a written report on the results of activities referred to in Items 1) and 2),
   4) choosing an auditor to review the financial statements,
   5) specifying the scope and deadlines for yearly material and financial plans of the Company and Group, and multi-year strategic plans of the Company and Group, to be submitted by the Management Board,
   6) approving multi-year strategic plans of the Company and Group,
   7) approving yearly material and financial plans of the Company and Group,
   8) adopting the Rules of the Supervisory Board,
   9) adopting the unified text of the Company's Articles of Association,
   10) approving the Rules of the Management Board,
   11) approving the Organizational Rules,
   12) approving the principles for the remuneration of members of governing bodies of the Group's companies.
2. Competences of the Supervisory Board include granting approvals to the Management Board in respect of:
   1) acquiring and disposing of real estate or perpetual usufruct rights, or a share therein, with a value equal to or beyond EUR 500,000.00,
   2) encumbering, establishing a limited right in rem on, or leasing real estate or perpetual usufruct right if the value of the obligation is equal to or beyond EUR 1,500,000.00,
   3) delivering real estate, perpetual usufruct rights or a share therein, whether for consideration or not, if the value of the obligation is equal to or beyond EUR 5,000,000.00,

4) delivering for paid use, acquiring, disposing, encumbering or leasing fixed assets, other than listed in item 1, if the value thereof is equal to or beyond EUR 500,000.00,
5) acquisition, disposal, encumbrance of shares or other titles of participation in companies, and in the case of legal transaction with a Group member, if the value thereof is equal to or beyond EUR 500,000.00,
6) issuing bills of exchange,
7) agreements entered into by the Company whose purpose is to make a donation or discharge from a debt, and other agreements not related to the Company's objects specified in the Articles of Association, including without limitation sponsorship agreements, whose value is beyond the equivalent of EUR 5,000.00,
8) guarantees and sureties granted by the Company; in the case of agreements entered into with a Group member, the approval is required if the value thereof is equal to or beyond EUR 1,500,000;
9) issue of bonds (other than referred to in § 47.3.5) by the Company, if the value of bonds issued is equal to or beyond EUR 500,000.00; in the case of registered bonds, if a stipulation was made in the terms and conditions of issuance that the bonds may be sold to Group members only, the approval is required if the value of bonds issued is equal to or beyond EUR 1,500,000.00;
10) loan agreements entered into by the Company with a value equal to or beyond EUR 500,000.00; in the case of agreements entered into with a Group member, the approval is required if the value thereof is equal to or beyond EUR 1,500,000.00;
11) entering by the Company into agreements other than specified above or undertaking obligations other than specified above with a value equal to or beyond EUR 500,000.00;
12) disbursement of an advance payment of the expected dividend;
13) establishing a company;
14) implementing an investment with a value equal to or beyond EUR 1,500,000.00.

3. Also, the competences of the Supervisory Board include, without limitation:
1) appointing and dismissing the Members of the Management Board, without prejudice to § 47.2.2,
2) suspending the Members of the Management Board in their duties for material reasons, without prejudice to provisions of § 47.2.2,
3) proposing the amount of remuneration for Members of the Management Board, subject to § 24,
4) approving the establishment of the Company's foreign branch offices,
5) authorizing the Members of the Management Board to hold positions in governing bodies of other companies and perceive the related remuneration.

4. The Supervisory Board shall have the right to require the Management Board and the Company's employees to deliver information and explanations on the Company, Group members and their activities, as it deems necessary, and to audit the assets of the Company and of the Group members.

§ 28

1. The Management Board shall obtain prior approval from the Supervisory Board before adopting resolutions referred to in § 19.2.11, concerning Major Subsidiaries, or before taking other actions that result in approving or authorizing the following activities of Major Subsidiaries:
1) establishing another company;
2) amending the subsidiary's articles of association or articles of partnership,
3) merger, transformation, division, dissolution and winding up,
4) increasing or decreasing the share capital,
5) disbursement of an advance payment of the expected dividend,
6) disposal and lease of the enterprise, or an organized part thereof, and establishing a limited right in rem thereon,

7) acquiring and disposing of real estate or perpetual usufruct rights, or a share therein, with a value equal to or beyond EUR 500,000.00,
8) encumbering, establishing a limited right in rem on real estate, leasing real estate or perpetual usufruct right if the value of the obligation is equal to or beyond EUR 1,500,000.00,
9) delivering real estate, perpetual usufruct rights or a share therein, whether for consideration or not, if the value of the obligation is equal to or beyond EUR 5,000,000.00,
10) acquisition, disposal, encumbrance, leasing or delivery for paid use of fixed assets, shares or other titles of participation in companies, other than listed in item 7, if the value thereof is equal to or beyond EUR 500,000.00,
11) acquisition, disposal, encumbrance of shares or other titles of participation in companies, and in the case of legal transaction with a Group member, if the value thereof is equal to or beyond EUR 500,000.00,
12) entering into agreements whose purpose is to make a donation or discharge from a debt, and other agreements not related to the subsidiary's objects specified in the articles of association or articles of partnership, including without limitation sponsorship agreements, whose value is equal to or beyond the equivalent of EUR 5,000.00,
13) implementing an investment with a value equal to or beyond EUR 1,500,000.00,
14) entering into loan agreements with a value equal to or beyond EUR 500,000.00; in the case of agreements entered into with a Group member, the approval is required if the value thereof is equal to or beyond EUR 1,500,000.00,
15) issue of bonds (of any type), if the value of bonds issued is equal to or beyond EUR 500,000.00; in the case of registered bonds, if a stipulation was made in the terms and conditions of issuance that the bonds may be sold to Group members only, the approval is required if the value of bonds issued is equal to or beyond EUR 1,500,000.00,
16) granting guarantees and sureties; in the case of agreements entered into with a Group member, the approval is required if the value thereof is equal to or beyond EUR 1,500,000,
17) entering into agreements other than specified above or undertaking obligations other than specified above with a value equal to or beyond EUR 500,000.00,
18) issuing bills of exchange,
19) entering into a new business which is not related or does not supplement the subsidiary's previous business,
20) appointing and dismissing the members of governing bodies and proxies,
21) entering into, terminating or amending any agreements between shareholders (associates).

2. To the extent allowed under mandatory laws, the Management Board shall take actions to ensure that relevant corporate documents of each Major Subsidiary include adequate provisions under which the following shall be required:

1) approval of the general meeting/meeting of associates of the Major Subsidiary concerned for the activities specified in subs. 1, items 1 to 21,

2) approval of the Company's Supervisory Board before adopting a resolution which specifies the way of exercising the voting rights on general meetings/meetings of associates held in respect to the Major Subsidiaries, or before taking other actions that result in approving or authorizing the performance of activities specified in subs. 1, items 1 to 21, by Major Subsidiaries,

3) opinion of the Company's Supervisory Board before remunerating the members of the governing bodies of Group companies for the performance of their functions, before granting them with annual bonuses or additional benefits, and before specifying the amount thereof.

District Court for the Capital City of Warsaw, 12th Commercial Division, KRS No. 0000383595
NIP (tax ID): 525-250-49-78, REGON (statistical ID): 142900541, share capital (paid-up in full): PLN 46,482,044

1. The Supervisory Board may delegate its members to individually perform specific supervision activities within a definite period.
2. A Member of the Supervisory Board delegated to individually perform specific supervision activities shall promptly provide the Supervisory Board with a written report on activities performed by him/her.

§ 30

1. Competences of the Supervisory Board also include delegating the Members of the Supervisory Board, for a period of up to three months, to temporarily perform the activities of Management Board Members who resigned or were dismissed or are unable to perform their activities due to other reasons.
2. The remuneration of Supervisory Board Members delegated to temporarily perform the activities of a Management Board Member shall be specified by the Supervisory Board by way of resolution, in the amount up to the remuneration of the Management Board Member, in accordance with the adopted principles for the remuneration of Management Board Members, subject to subs. 3.
3. In the period where the Member of the Supervisory Board delegated to temporarily perform the activities of a Management Board Member receives the remuneration referred to in § 36.3, the sum of that remuneration and the remuneration referred to in subs. 2 may not exceed the remuneration of the Management Board Member.

§ 31

1. The Supervisory Board comprises of five to nine members appointed by the General Meeting, subject to subs. 2.
2. As long as the State Treasury is a shareholder of the Company, one of the Supervisory Board Members referred to in subs. 1 shall be appointed and dismissed, by way of written statement, by the competent minister in charge of State Treasury. If the competent minister in charge of State Treasury fails to appoint a Member of the Supervisory Board, this shall not render the Board's composition inconsistent with the Articles of Association, and the Board shall be authorized to perform its functions, subject to mandatory legal regulations. Notwithstanding the foregoing, the State Treasure shall keep the right to elect other Members of the Supervisory Board on the General Meeting.
3. The list of Supervisory Board Members shall be specified by the General Meeting.
4. If, as a result of expiry of the mandate of some members (for other reasons than dismissal), the Supervisory Board comprises of less members than provided for in subs. 3 above, it shall have the capacity to adopt valid resolutions, subject to mandatory legal regulations.
5. Members of the Supervisory Board shall be appointed for a joint term of office which is three years. The President of the Supervisory Board shall be appointed by the General Meeting.
6. Members of the Supervisory Board may be dismissed at any time by the General Meeting.
7. The Member of the Supervisory Board shall submit his/her written letter of resignation to the Management Board, at the address of the Company's principal office, with carbon copy to the Minister of State Treasury, as long as State Treasury is a shareholder of the Company.

§ 32

1. At the first session, Members of the Supervisory Board shall elect, from amongst themselves, the Vice-President and the Secretary of the Board.
2. The Supervisory Board may dismiss the Vice-President and the Secretary of the Board from their functions.
3. Sessions of the Supervisory Board shall be chaired by the President or, if absent, by the Vice-President or other Member of the Supervisory Board appointed by the President.

4. Statements addressed to the Supervisory Board between its sessions shall be submitted to the President of the Supervisory Board or, if impossible, to the Vice-President or Secretary of the Board.

§ 33

1. Sessions of the Supervisory Board shall be held no less frequently than every two months.
2. At the start of the Supervisory Board's new term, the first session shall be convened by the President of the Supervisory Board within one month following the General Meeting which approved the financial statements for the last full financial year where Members of the Supervisory Board of the previous term performed their functions, unless otherwise provided in a resolution of the General Meeting. If the session is not convened under this procedure, the session of the Supervisory Board shall be convened by the Management Board within two weeks following the ineffective expiry of the deadline for convening the Supervisory Board session by the President of the Supervisory Board.
3. Sessions of the Supervisory Board shall be convened by the President or Vice-President of the Board who specifies the detailed agenda.
4. A session of the Supervisory Board shall be convened upon request of any Member of the Board or upon request of the Management Board.
5. Sessions of the Supervisory Board shall be recorded in minutes.

§ 34

1. To convene a session of the Supervisory Board, all of its Members shall be notified in writing at least seven days prior to the proposed date of the Supervisory Board session. For important reasons, the President of the Supervisory Board may reduce the aforesaid deadline to two days by specifying the way of delivering the notice.
2. In the notice of the Supervisory Board session, the President shall specify the date and place of the session and the detailed agenda.
3. The proposed agenda may be amended if all Members of the Supervisory Board attend the session and nobody objects to the agenda.
4. Members of the Supervisory Board may participate in the adoption of the Supervisory Board's resolutions by casting their votes in writing through another Member of the Supervisory Board. Votes may not be cast in writing in respect to matters introduced to the agenda during the session of the Supervisory Board.
5. The Supervisory Board adopts its resolution in an open ballot.
6. Secret ballot shall be ordered at the request of a Member of the Supervisory Board, and in respect to personal matters. If a secret ballot is ordered, provisions of subs. 7 shall not be applicable.
7. The Supervisory Board may adopt resolutions in writing or by using direct telecommunication means, subject to Article 388.4 of the Commercial Companies Code. To be adopted under this procedure, the resolution shall be justified, and the draft resolution shall be presented in advance to all Members of the Supervisory Board.
8. Resolutions adopted as provided for in subs. 7 shall be presented on the next session of the Supervisory Board together with the ballot result.
9. Resolutions concerning election of the Vice-President and Secretary of the Supervisory Board, appointing a Management Board Member, and dismissing and suspending them in their functions may not be adopted under the procedure provided for in subs. 7.

§ 35

1. The Member of the Supervisory Board delegated by the Board under a resolution of the Supervisory Board, or an attorney appointed under the resolution of the General Meeting shall enter into agreements with Management Board Members.
2. Legal acts between the Company and Management Board Members, other than specified in subs. 1, shall be performed under the same procedure.

§ 36

1. Members of the Supervisory Board shall exercise their rights and obligations personally.
2. Attending the sessions of the Supervisory Board is the obligation of Board members. Members of the Supervisory Board shall provide the reasons of their absence in writing. The absence of a Board member may be justified only under a resolution of the Supervisory Board.
3. Members of the Supervisory Board shall be entitled to a monthly remuneration in the amount specified by the General Meeting.
4. The Company shall bear the costs incurred in relation to the performance of functions by Members of the Supervisory Board, including without limitation costs of traveling to the Board's sessions, costs of individual supervision, board and lodging expenses.

§ 37

1. The Supervisory Board shall comprise of two or more members appointed by the General Meeting among persons who meet the independence criteria specified in § 38 below.
2. When proposing a candidate to this position, the shareholder shall submit a written statement of the candidate confirming his/her compliance with the independence criteria. Such statement shall be enclosed to the minutes from the General Meeting.
3. Each shareholder shall have the right to propose candidates to the Supervisory Board elected by the General Meeting as provided for in subs. 1 and subs. 2 above. Such candidature application must be submitted to the Supervisory Board no later than seven days prior to the designated date of the General Meeting. Candidates must meet the independence criteria referred to in § 38 below. The candidate's CV shall be enclosed to the application together with the information on the number of shares and votes represented by the shareholder(s) who propose the candidate concerned. Any shareholder, whether individually or jointly with other shareholders, may propose any number of candidates. At the General Meeting, the candidatures submitted by shareholders who represent the greatest number of votes are voted first. The Rules of the General Meeting may provide for a detailed procedure of electing Supervisory Board members, notwithstanding the provisions hereof and the provisions of the Commercial Companies Code.
4. If no candidature applications are submitted under the procedure specified in subs. 3, the General Meeting shall appoint Members of the Supervisory Board under general rules, taking into account the provisions of this Section.
5. If, as a result of expiry of the mandate during the term of office (except for dismissal of a Supervisory Board member), the Supervisory Board does not comprise of two or more members elected as provided for in subs. 1, subs. 2 and subs. 3, the election under the procedure specified in subs. 1, subs. 2 and subs. 3, subject to the provisions of subs. 4, shall take place no later than at the next Ordinary General Meeting.
6. If the Supervisory Board eligibility conditions are no longer complied with during the term of office of a Supervisory Board member, the Management Board shall promptly convene the General Meeting in order to change the composition of the Supervisory Board.

§ 38

1. The Member of the Supervisory Board elected under the procedure provided for in § 37 shall meet the following independence criteria:
   1) he/she may not be related to the Company (except for membership in the Supervisory Board), to the Company's parent organization or subsidiary, and to any subsidiary of the Company's parent

organization, and may not be related to any person related to an entity where the Company holds more than 10% of the share capital,

2) he/she may not be a relative by blood or marriage (to the second degree) of the person referred to in item 1) above,
3) he/she may not be a relative by blood or marriage (to the second degree) of a Company's shareholder who holds more than 5% of total voting rights in the Company,
4) he/she may not be related to any shareholder of the Company who holds more than 5% of total voting rights in the Company, or in the parent organization or subsidiary of that shareholder, or in a subsidiary of that shareholder's parent organization,
5) he/she may not be a relative by blood or marriage (to the second degree) of the person referred to in item 4) above.

2. For the purposes of this Section, "related person" shall mean a person who:
   1) is a member of governing bodies of a legal person or, in the case of a partnership, is an associate or general partner,
   2) has an employment contract, a contract of mandate or another legal relationship of a similar nature with the entity for which the existence of relationships is determined. The provisions above are applicable to persons who, during the last 3 years prior to their appointment to the Supervisory Board, had an employment contract, a contract of mandate or another legal relationship of a similar nature with the Company.
3. For the purposes of this Section, parent organization and subsidiary shall mean, respectively, the entity who meets the requirements set out in Article 4. 1.4 of the Commercial Companies Code.

§ 39

1. The Supervisory Board shall appoint the audit committee comprising of three or more members, including one or more member who meets the independence conditions within the meaning of Article 86, subs. 5 of the Auditors Act, and is qualified in accounting or financial auditing.
2. The Supervisory Board who comprises of five members may perform the tasks of the audit committee.
3. Tasks of the audit committee include, without limitation:
   1) supervising the business unit in charge of internal audit,
   2) monitoring the financial reporting process,
   3) monitoring the efficiency of internal control, internal audit and risk management systems,
   4) monitoring the performance of financial auditing activities,
   5) monitoring the independence of the auditor and of the entity authorized to review the financial statements (in this case, to provide the Company with services other and financial audit),
   6) providing the Supervisory Board with recommendations as to the entity authorized to review the financial statements who shall perform the financial audit of the Company.
4. The Supervisory Board may also appoint other committees, including without limitation the nominations and remuneration committee. The detailed tasks and principles for the appointment and operation of committees are set out in the Rules of the Supervisory Board.

C. GENERAL MEETING

§ 40

1. The General Meeting may be held on an ordinary or extraordinary basis.
2. The General Meeting is convened by the Company's Management Board:
   1) on its own initiative,
   2) upon written request of the Supervisory Board,

3) upon written request of one or many shareholders, as provided for in relevant regulations of the Commercial Companies Code,
4) upon written request of the State Treasury, as long as State Treasury is a shareholder of the Company.

§ 41

1. General Meetings may be held in the Company's registered office in Warsaw or elsewhere on the territory of the Republic of Poland.
2. The General Meeting shall be valid irrespective of the number of represented shares.
3. If the Company so decides, shareholders may participate to the General Meetings with the use of electronic means of communication. The detailed terms for such method of the shareholders' participation to the General Meeting, including the requirements and restrictions necessary to identify the shareholders and to ensure the security of electronic communications, may be specified in the Rules of the General Meeting.

§ 42

1. One share shall be equivalent to one vote at the General Meeting.
2. The General Meeting may adopt resolutions only in respect to matters covered by the detailed agenda, subject to Article 404 of the Commercial Companies Code.
3. The agenda is proposed by the Management Board or by another authority that convenes the General Meeting.
4. Shareholder(s) who represent at least one twentieth of the share capital may require specific matters to be included in the agenda of the next General Meeting. The State Treasury also holds this right, as long as the State Treasury is a shareholder of the Company.
5. Prior to the General Meeting date, the Shareholders (including the State Treasury) referred to in subs. 4, may provide the Company with draft resolutions concerning matters included in the agenda of the General Meeting or matters that may be included therein. Such drafts shall be delivered in writing or with the use of electronic means of communication.
6. If the request referred to in subs. 4 is submitted less than twenty-one days prior to the designated date of the General Meeting, it shall be considered as a request for convening an Extraordinary General Meeting.
7. The General Meeting shall be convened by an announcement published on the Company's Web page and in the designated way of delivering ongoing information, as per the Public Offering Act. The announcement shall be published at least twenty six days prior to the General Meeting date.

§ 43

The General Meeting shall be opened by the President of the Supervisory Board or, if absent, by the Vice-President of the Supervisory Board or, if both absent, by the President of the Management Board or by a person appointed by the Management Board.

§ 44

The General Meeting may order a break in its deliberations by the majority of two thirds of votes. In total, the break may not exceed thirty days.

§ 45

Voting at the General Meeting is open. A secret ballot is ordered to elect the Company's governing bodies or the Company's liquidator, and when voting on the requests to dismiss the members of the Company's governing bodies or the Company's liquidators, or to hold them liable, and in personal matters. Additionally, a secret ballot shall be ordered if so requested by at least one shareholder present or represented at the General Meeting.

§ 46

The Ordinary General Meeting is convened by the Management Board every year. Is shall be held within six months following the end of the financial year.

§ 47

1. The subject matter of the Ordinary General Meeting is:
   1) examining and approving the Company's financial statements and the consolidated financial statements for the previous financial year, and the Management Board's Report on the activities of the Company and the report on the activities of the Group,
   2) granting discharge to members of the Company's governing bodies,
   3) profit distribution or loss coverage,
   4) moving the dividend record date or splitting the dividend disbursement into installments,
2. The following matters require a resolution to be adopted by the General Meeting:
   1) appointing and dismissing the Members of the Supervisory Board,
   2) dismissing and suspending the members of the Management Board in their activities, without prejudice to § 27, subs. 3, Items 1) and 2),
3. The following matters concerning Company's assets require a resolution to be adopted by the General Meeting:
   1) disposal and lease of the Company's enterprise, or an organized part thereof, and establishing a limited right in rem thereon,
   2) a loan or surety agreement, or another similar agreement entered into between the Company and a Member of the Management Board, Member of the Supervisory Board, holder of commercial power of attorney or liquidator, or entered into for the benefit of any of them,
   3) cases where the agreement referred to in item 2) is entered into between the Company's subsidiary and a Member of the Management Board, holder of commercial power of attorney or liquidator of the Company,
   4) increasing or decreasing the Company's share capital,
   5) issue of convertible bonds or bonds carrying the preemption right, and issue of subscription warrants,
   6) purchasing own shares in the situation specified in Article 362, § 1, item 2 of the Commercial Companies Code,
   7) compulsory buyout of shares as provided for in Article 418 of the Commercial Companies Code,
   8) establishment, use and liquidation of supplementary capitals,
   9) use of supplementary capitals,
   10) provisions concerning claims for damages occurred when establishing the Company or when performing management or supervision activities.
4. The acquisition and disposal of real estate, perpetual usufruct or shares in real estate does not require the approval of the General Meeting.
5. Also, the following shall require a resolution to be adopted by the General Meeting:
   1) merger, transformation and division of the Company,
   2) redemption of shares,
   3) amending the Articles of Association and changing the objects of the Company,
   4) dissolution and winding up of the Company,
   5) establishment, transformation into or adherence to a European company.

§ 48

1. The Management Board's and shareholders' applications regarding matters specified in § 47 shall be submitted together with a justification and written opinion of the Supervisory Board. The opinion of the

Supervisory Board is not required for applications concerning Members of the Supervisory Board, especially in matters referred to in § 47, subs. 1, item 2) and § 47, subs. 2, item 1).

2. The opinion on the application submitted by shareholders is not required in the cases referred to in Article 384, § 2 of the Commercial Companies Code.

§ 49

The objects of the Company may be changed without the shares buyout obligation, subject to the requirements set out in Article 417.4 of the Commercial Companies Code.

V. INTERNAL MANAGEMENT OF THE COMPANY

§ 50

The Company's financial year begins on January 1, and ends on December 31.

§ 51

The Company's accounting processes are compliant with the provisions of the Accounting Act.

§ 52

1. Under a resolution adopted by the General Meeting, the Company may establish and dissolve reserve capitals, other capitals and earmarked funds. This includes, without limitation, reserve capital allocated to cover specific expenses or losses.
2. The intended purpose of established capitals and earmarked funds, as referred to in subs. 1, shall be decided by the General Meeting.

§ 53

The Management Board shall:

1) prepare the Company's financial statements, the Group's consolidated statements, the report on the activities of the Company and the report on the activities of the Group in the last financial year, within three months following the balance sheet date,
2) have the Company's financial statements and the Group's consolidated statements reviewed by an auditor,
3) submit the documents listed in item 1, together with the auditor's report and opinion, for review to the Supervisory Board,
4) present to the Ordinary General Meeting the documents listed in item 1, the auditor's report and opinion, and the Supervisory Board's report referred to in § 27.1.3, by the end of the fourth month following the balance sheet day.

§ 54

1. The allocation of the Company's net profit shall be specified in the resolution of the General Meeting.
2. The General Meeting shall deduct at least 8% of the profit in the financial year concerned to be allocated to the supplementary capital, until the supplementary capital reaches at least one third of the share capital.
3. The General Meeting may allocate the profit to:
   1) the dividend for shareholders,
   2) other capitals and funds,
   3) other purposes.
4. The dividend record date is the day the Ordinary General Meeting adopts the resolution on distributing the profit from the last financial year. Pursuant to Article 348 of the Commercial Companies Code, the Ordinary General Meeting may specify another dividend record date.

5. The dividend payment date shall be specified in the resolution adopted by the Ordinary General Meeting. --
6. The Management Board shall be entitled to make an advance payment of the expected dividend to the shareholders at the end of the financial year, in accordance with the provisions of the Commercial Companies Code. The advance payment shall be approved by the Supervisory Board.

§ 55

Unless the context otherwise requires, capitalized terms used in the Articles of Association shall have the following meaning:

"Shares"	Company's shares;
"Shareholder"	Company's shareholder;
"EURO"	the euro currency;
"Group"	the Company's Group;
"Major Subsidiary"	a subsidiary, or a partially owned subsidiary, designated by the resolution of the Supervisory Board, directly controlled by the Company or controlled by the Company through other entities;
"Civil Code"	the Civil Code Act of April 23, 1964 (Journal of Laws [Dz.U.] of 2014, item 121, as amended);
"Labor Code"	the Labor Code Act of June 26, 1974 (Journal of Laws [Dz.U.] of 2014, item 1502, as amended);
"Commercial Companies Code"	the Commercial Companies Code Act of September 15, 2000 (Journal of Laws [Dz.U.] of 2013, item 1030, as amended);
"Supervisory Board"	the Company's Supervisory Board;
"Organizational Rules"	the Company's organizational rules;
"Rules of the Supervisory Board"	rules of the Company's Supervisory Board;
"Rules of the General Meeting"	rules of the Company's General Meeting;
"Rules of the Management Board"	rules of the Company's Management Board;
"Regulation on the recruitment process for the position of management board in certain commercial companies"	regulation of the Council of Ministers of March 18, 2003 on the recruitment process for the position of management board in certain commercial companies (Journal of Laws [Dz.U.] No. 55, item 476, as amended);
"Company"	Polski Holding Nieruchomości Spółka Akcyjna based in Warsaw;
"Articles of Association"	the Company's Articles of Association, as adopted by the General Meeting in the resolution No. …, on ……..;
"Auditors Act"	the Act of May 7, 2009 on auditors and their self-government, the entities authorized to audit financial statements and public supervision (Journal of Laws [Dz.U.] of 2009, No. 77, item 649, as amended);

"Commercialization and Privatization Act"	the Commercialization and Privatization Act of August 30, 1996 (Journal of Laws [Dz.U.] of 2013, item 216, as amended);
"Financial Instruments Trading Act"	the Financial Instruments Trading Act of July 29, 2005 (Journal of Laws [Dz.U.] of 2014, item 94, as amended);
"Public Offering Act"	the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies, of July 29, 2005 (Journal of Laws [Dz.U.] of 2013, item 1384, as amended;
"Accounting Act"	the Accounting Act of September 29, 1994 (Journal of Laws [Dz.U.] of 2013, item 330, as amended, 1223);
"Act on Remunerating Directors of Certain Legal Entities"	the Act on Remunerating Directors of Certain Legal Entities of March 3, 2000 (Journal of Laws [Dz.U.] of 2013, item 254, as amended);
"General Meeting"	the Company's General Meeting;
"Management Board"	the Company's Management Board.

VI. PUBLICATION PROVISIONS

§ 56

1. The Company shall publish its announcements covered by the obligation of publication in the Court and Commercial Gazette. Copies of announcements shall be displayed in the manner adopted in the Company.
2. The obligation referred to in the 1st sentence of subs. 1 above shall not be applicable to announcements on convening a General Meeting. If a regulation of the law requires the announcement to be additionally published in a journal other than the Court and Commercial Gazette, it shall be a newspaper with countrywide coverage.
3. The Management Board shall submit to the registry court having competence over the Company's seat the yearly financial statements, auditor's opinions, copy of the General Meeting's resolution on approving the financial statement and profit distribution or loss coverage, and the report on the activities of the Company within fifteen days upon approval of the Company's financial statements by the General Meeting. If the financial statements were not approved within six months following the balance sheet date, it shall be submitted within fifteen days thereupon.
4. Subject to the regulations of the law, the Management Board shall, within fifteen days upon approval of the Company's financial statements by the General Meeting, submit the documents referred to in Article 70 of the Accounting Act for publication in the Court and Economic Gazette.

VII. FINAL CONSIDERATIONS

§ 57

1. The Company may be dissolved for reasons provided for in the legal regulations.
2. Liquidators shall be members of the Management Board, unless otherwise provided for in a resolution of the General Meeting.
3. After the creditors' claims are satisfied or secured, the shareholders shall be entitled to the Company's remaining assets pro rata to the number of shares owned.
4. Whenever an amount is expressed in EURO herein, it shall mean the equivalent thereof in the Polish currency as per the average exchange rate between the national currency and EURO, as announced by the National Bank of Poland on the day preceding the adoption of the resolution by the Company's competent body authorized to perform the activities in respect to which that equivalent is determined.

5. Whenever the value of a specific right, asset, agreement or liability is expressed otherwise than in the national currency, for the purposes of applying the provisions hereof, its equivalent expressed in the Polish currency shall be used (the net amount, i.e. exclusive of the value added tax), as determined based on the average exchange rate between the national currency and the foreign currency concerned, as announced by the National Bank of Poland on the day preceding the adoption of the relevant resolution by the Management Board.
6. The value of the liability shall be the value within the entire duration thereof, if such duration has been specified. In the case of liabilities of continuous nature, incurred for an indefinite period, the value of the liability shall be the cumulative amount in the 12-month duration period or the cumulative amount in the notice period, if longer than 12 months. "

The new wording of the Articles of Association introduces the following technical and merit-related changes in relation to the previous version:

I TECHNICAL CHANGES

1. *Changes to the provisions regarding the objects of the Company (§ 6).*
2. *Deletion or change of out-of-date provisions (§ 30 subs. 2 and 3, § 42 subs. 5, 6 and 7; § 43; § 48 subs. 2; § 55; § 56: subs. 1 and deletion of former subs. 3; § 57: deletion of former subs. 7; deletion of former § 15 subs. 1-5).*
3. *Deletion of Chapter IV (Rights and obligations of the shareholder): after the deletion of former § 15 subs. 1-5 as contemplated in subs. 2 above, former § 14 is moved to Chapter IV and former § 15 subs. 6 is moved to § 23.*
4. *Updates to the provisions on the Company shares (§ 7 subs. 4 and deletion of former § 7 subs. 3).*
5. *Additions to the provision on calculating the value of liabilities related to agreements for definite periods longer than 12 months (§ 57 subs. 6).*
6. *Changes to the references to the invoked legal acts (§ 55).*
7. *Deleting from the dictionary the acts not referenced by the new wording of the Articles of Association (§ 55).*
8. *More precise definition of the competences of the Ministry of State Treasury to appoint one Member of the Supervisory Board (§ 31 subs. 2 and 4).*
9. *More precise provisions on establishing capitals and funds by the Company (§ 52).*

II MERIT-RELATED CHANGES

1. *Abandonment of the classification of companies into PHN's direct and indirect subsidiaries (§ 28, § 55).*
2. *New provisions granting to the Supervisory Board competencies to approve agreements on loans and guaranties, concluded by PHN or other Group companies within the Group (§ 27 subs. 2 items 8, 10; § 28 subs. 1 items 14, 16).*
3. *Unification of the provisions on granting loans and issuing bonds (§ 27 subs. 2 item 9, § 28 subs. 1 item 15, § 47 subs. 3 item 5).*
4. *New provisions stipulating that establishing a company requires the Supervisory Board's approval rather than the General Meeting's approval (§ 27 subs. 2 item 13; § 47 subs. 5: deletion of former item 2).*
5. *New provisions stipulating that acquisition, disposal, encumbrance of titles of participation in companies requires the Supervisory Board's approval regardless of the transaction value if the transaction is entered into with a non-member of the Group (§ 27 subs. 2 item 5, § 28 subs. 1 item 11).*
6. *Unification of the provisions on the limits of legal actions performed by PHN and its subsidiaries, requiring the PHN Supervisory Board's approval, and changes to some of such limits (§ 27 subs. 2 items 1–5, 7, 14; § 28 subs. 1 items 9, 11–12, 17).*
7. *Introduction of the obligation to obtain the Supervisory Board's opinion on decisions related to remuneration of members of governing bodies in the Group companies (§ 28 subs. 2 item 3).*
8. *Removal of the reference to the material and financial plan (§ 28 subs. 1 items 12, 14, 15, 18).*