

ZUE SPÓŁKA AKCYJNA
ARTICLES OF ASSOCIATION

(uniform text)

I. GENERAL

§ 1.

1. The Company shall operate under the company name: ZUE Spółka Akcyjna.
2. The Company may also use the abbreviated name ZUE S.A. and the Company's trademark (logo).D
3. Wiesław Nowak shall be the founder of the Company.

§ 2.

Cracow shall be the Company's registered office.

§ 3.

The Company's core business is:

1. 23.20.Z – Manufacture of fireproof products;
2. 23.61.Z – Manufacture of concrete construction products;
3. 23.63.Z – Manufacture of prefabricated concrete mass;
4. 23.64.Z – Manufacture of mortar;
5. 23.70.Z – Cutting, shaping and finishing of stones;
6. 24.20.Z – Manufacture pipes, ducts, closed sections and connectors of steel;
7. 24.31.Z – Manufacture of cold-rolled rods;
8. 24.32.Z – Manufacture of flat cold-rolled products;
9. 24.33.Z – Manufacture of cold formed products;
10. 24.34.Z – Manufacture of wire;
11. 25.11.Z – Manufacture of metal structures and their components;
12. 25.12.Z – Manufacture of metal elements of joinery;
13. 25.61.Z – Treatment and coating of metals;
14. 25.62.Z – Mechanical processing of metal elements;
15. 25.71.Z – Manufacture of knives and cutlery;
16. 25.93.Z – Manufacture of wire products, chains and springs;
17. 25.94.Z – Manufacture of joints and bolts;
18. 25.99.Z – Manufacture of other ready-made metal products, n.e.c.;
19. 26.11.Z – Manufacture of electronic components;
20. 26.30.Z – Manufacture of (tele)communications equipment;
21. 27.11.Z – Manufacture of electric motors, generators and transformers;
22. 27.12.Z – Manufacture of electricity distribution and control apparatus;
23. 27.33.Z – Manufacture of wiring devices;
24. 27.90.Z – Manufacture of other electrical equipment;
25. 30.20.Z – Manufacture of railway engines and rolling stock;
26. 33.11.Z – Repair and maintenance of ready-made metal products;

27. 33.12.Z – Repair and maintenance of machines;
28. 33.13.Z – Repair and maintenance of electronic and optical equipment;
29. 33.14.Z – Repair and maintenance of electrical equipment;
30. 33.17.Z – Repair and maintenance of other transport equipment;
31. 33.19.Z – Repair and maintenance of other equipment and appliances;
32. 33.20.Z – Installation of industrial machinery, fittings and equipment;
33. 38.31.Z – Disassembly of used products;
34. 38.32.Z – Recovery of raw materials from sorted materials;
35. 41.10.Z – Execution of construction projects related to the erection of buildings;
36. 41.20.Z – Construction of residential and non-residential buildings;
37. 42.11.Z – Construction of roads and motorways;
38. 42.12.Z – Construction of railways and underground railways;
39. 42.13.Z – Construction of bridges and tunnels;
40. 42.21.Z – Construction of transmission pipelines and power distribution systems;
41. 42.22.Z – Construction of telecommunications and power lines;
42. 42.91.Z – Construction of water engineering facilities;
43. 42.99.Z – Construction of other civil engineering structures, n.e.c.;
44. 43.11.Z – Wrecking and demolition of buildings;
45. 43.12.Z – Site preparation;
46. 43.13.Z – Test drilling and boring;
47. 43.21.Z – Installation of electrical wiring and fittings;
48. 43.22.Z – Assembly of plumbing, heating, gas and air conditioning systems;
49. 43.29.Z – Other construction systems;
50. 43.31.Z – Plastering;
51. 43.32.Z – Joinery installation;
52. 43.33.Z – Floor finishing; paper-hanging and wall facing;
53. 43.34.Z – Painting and glazing;
54. 43.39.Z – Other building completion works;
55. 43.91.Z – Roofing activities;
56. 43.99.Z – Other specialized construction works, n.e.c.;
57. 45.11.Z – Wholesale and retail sale of cars and vans;
58. 45.19.Z – Wholesale and retail sale of other motor vehicles, excluding motorcycles;
59. 45.20.Z – Maintenance and repair of motor vehicles, excluding motorcycles;
60. 45.32.Z – Retail sale of automotive parts and accessories, excluding motorcycles;
61. 46.44.Z – Wholesale of porcelain, ceramic and glass products and cleansers;
62. 46.71.Z – Wholesale of fuels and derivative products;
63. 46.73.Z – Wholesale of wood, building materials and sanitary equipment;
64. 46.77.Z – Wholesale of waste and scrap;
65. 47.19.Z – Other retail sale in non-specialized stores;
66. 47.30.Z – Retail sale of automotive fuels at fuelling stations;
67. 49.20.Z – Rail goods transport;
68. 49.31.Z – Urban and suburban land passenger transport;
69. 49.31.Z – Urban and suburban land passenger transport;
70. 49.39.Z – Other land passenger transport, n.e.c.;
71. 49.41.Z – Freight transport by road;
72. 49.42.Z – Removal services;
73. 52.10.A – Warehousing and storage of gas fuels;
74. 52.10.B – Warehousing and storage of other goods;
75. 52.21.Z – Services supporting land transport;
76. 55.10.Z – Hotels and similar accommodation;

- 77. 55.20.Z – Tourist and short-stay accommodation;
- 78. 61.20.Z – Wireless telecommunications activities, excluding satellite communications;
- 79. 62.01.Z – Software activities;
- 80. 62.02.Z – IT consultancy activities;
- 81. 62.03.Z – IT equipment management activities;
- 82. 62.09.Z – Other information technology and computer service activities;
- 83. 64.20.Z – Activities of financial holding companies;
- 84. 68.10.Z – Buying and selling of real estate on own account;
- 85. 68.20.Z – Rental and management of own or leased real estate;
- 86. 68.32.Z – Management of real estate on a fee or contract basis;
- 87. 70.10.Z – Activities of head offices and holding companies, excluding financial holding companies;
- 88. 71.11.Z – Architectural activities;
- 89. 71.12.Z – Engineering activities and related technical consultancy;
- 90. 71.20.B – Other technical research and analyses;
- 91. 72.19.Z – Research and development in the field of other natural and technical sciences;
- 92. 73.11.Z – Activities of advertising agencies;
- 93. 74.10.Z – Specialized design activities;
- 94. 74.90.Z – Other professional, scientific and technical activities, n.e.c.;
- 95. 77.11.Z – Rental and lease of cars and vans;
- 96. 77.12.Z – Rental and lease of other motor vehicles, excluding motorcycles;
- 97. 77.32.Z – Rental and lease of construction machinery and equipment;
- 98. 77.33.Z – Rental and lease of office machinery and equipment, including computers;
- 99. 77.39.Z – Rental and lease of other machinery, equipment and goods, n.e.c.;
- 100. 77.40.Z – Lease of intellectual property and similar products, excluding copyrighted works;
- 101. 78.30.Z – Other activities related to the provision of employees;
- 102. 80.20.Z – Security systems service activities;
- 103. 81.10.Z – Activities related to keeping buildings tidy;
- 104. 81.22.Z – Specialist cleaning of buildings and industrial units;
- 105. 81.29.Z – Other cleaning;
- 106. 81.30.Z – Landscape service activities;
- 107. 82.11.Z – Services related to office administration;
- 108. 82.19.Z – Photocopying, preparing documents and other specialized office support activities;
- 109. 82.30.Z – Activities related to fairs, exhibitions and congress organization;
- 110. 95.11.Z – Repair and maintenance of computers and peripherals;
- 111. 95.12.Z – Repair and maintenance of (tele)communications equipment.

§ 4.

The Company shall operate in the territory of Poland and abroad.

§ 5.

1. The Company may establish and run branches, plants, representative offices and other organisational units and it may participate in other companies or transactions both home and abroad.
2. The Company may participate in all forms of cooperation with other business entities, individuals, legal persons, institutions, associations and other organisational units.

§ 6.

The Company has been incorporated for indefinite period.

§ 7.

1. The Company's share capital shall amount to PLN 5,757,520.75 (five million seven hundred and fifty seven thousand five hundred and twenty 75/100 złoty) and be divided into 23,030,083 (twenty three million thirty thousand and eighty three) shares with a par value of PLN 0.25 (twenty five grosz) each, including:
 - 1) 16,000,000 (sixteen million) Class A bearer shares;
 - 2) 6,000,000 (six million) Class B bearer shares;
 - 3) 1,030,083 (one million thirty thousand and eighty three) Class C bearer shares.
2. Class A shares were paid up in full prior to the registration of the Company. Class B shares were paid up in full prior to the registration of the Company. Class B shares were paid up in full prior to the registration of the increase of the Company's share capital through the issue of Class B shares. Class C shares were issued in connection with the Company's merger with Przedsiębiorstwo Robót Komunikacyjnych w Krakowie S.A. of Cracow pursuant to Art. 492 § 1.1 of the Polish Companies Act.

§ 8.

1. Shares may be redeemed with the consent of the shareholder through the acquisition thereof by the Company (voluntary redemption).
2. The redemption of shares shall require a resolution of the General Meeting. The resolution shall stipulate the way and terms of the redemption and, in particular, the legal basis for the redemption, the remuneration payable to the shareholder of the redeemed shares or the grounds for the redemption without remuneration should the redemption be voluntary and the method of the share capital decrease.

II. GOVERNING BODIES

§ 9.

The Company's governing bodies shall include:

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

A. MANAGEMENT BOARD

§ 10.

1. The Management Board shall comprise one or more members.
2. Members of the Management Board shall be appointed and dismissed by the Supervisory Board for a common three-year term.
3. The Supervisory Board shall appoint one member of the Management Board to the position of Management Board President and may appoint one or more members to the positions of Management Board Vice-Presidents.
4. The Supervisory Board shall define a number of the Management Board members for a given term.

§ 11.

1. The Management Board shall represent the Company and manage its affairs.
2. The Management Board shall deal with all the issues related to the management of the Company's affairs which are not within the sole competence of the General Meeting or the Supervisory Board according to the Act or these Articles of Association.
3. The Management Board resolutions shall be passed by an absolute majority of votes. In the case of a tied vote the Management Board President shall have a casting vote.
4. The Management Board rules passed by the Management Board and approved of by the Supervisory Board shall contain detailed rules governing the operation of the Management Board.

§ 12.

The President of the Management Board independently or two members of the Management Board acting jointly or one member of the Management together with a proxy shall be authorised to make the statements of will on behalf of the Company.

B. SUPERVISORY BOARD

§ 13.

1. The Company's Supervisory Board shall comprise 5 (five) to 7 (seven) members appointed and dismissed by the General Meeting for a common three-year term.
2. The General Meeting shall define the number of the Supervisory Board members for the term and appoint the Supervisory Board Chairperson and Vice-Chairperson.
3. Subject to Section 4 below, at least two independent members within the meaning of Article 129.3 of the Polish Act on Auditors¹ shall be appointed to the Supervisory Board. At least two independent members should meet the independence criteria referred to in the Code of Best Practice.² In addition, the Supervisory Board should include a required number of members who meet the criteria referred to in Article 129.1 and Article 129.5 of the Polish Act on Auditors.
4. If the Supervisory Board decide to appoint the Audit Committee including more than three members, the Supervisory Board should include the number of independent members who meet other criteria referred to in Section 3 above to enable the selection of the Audit Committee members in compliance with the law and, in particular, the Polish Act on Auditors.
5. Each Shareholder may propose candidates for the position of the Supervisory Board independent member. The proposal should be submitted in writing to the Company's Management Board not later than 7 (seven) business days before the General Meeting. The independent member shall be elected by the General Meeting. The proposal shall include the candidate's personal details, grounds for the proposal, and a description of the candidate's skills and professional experience. The proposal shall be accompanied by the candidate's written statement containing their consent, confirmation of compliance with the independence criteria specified in Section 3 and their obligation to submit prompt notice should the said independence criteria no longer be met. If no candidates who meet the independence criteria are proposed, a candidate for the position of the Supervisory Board independent member is appointed at the General Meeting by the Company's Management Board.
6. The Supervisory Board comprising at least five members but less than specified by the General Meeting (expiry of the term of office of certain members) shall be competent to pass valid resolutions until its composition is supplemented by the General Meeting. In such a case, the Management Board shall promptly undertake measures to reach the number as specified in the Articles of Association and the current resolutions of the General Meeting.

§ 14.

1. The Supervisory Board resolutions shall be passed by an absolute majority of votes. In the case of a tied vote the Chairperson shall have a casting vote.

¹ *The Polish Act on Auditors, Audit Firms and Public Supervision of 11 May 2017 [Journal of Laws of 6 June 2017, item 1089]*

² *Rules of Corporate Governance specified in "2016 Code of Best Practice for WSE Listed Companies" approved of by the resolution passed by the Warsaw Stock Exchange Board of 13 October 2015, as amended.*

2. For the Supervisory Board resolutions to be valid, all members of the Supervisory Board shall be invited to and at least 50% of members of the Supervisory Board shall be present at the meeting, unless the provision of the Polish Companies Act provide otherwise.
3. Members of the Supervisory Board may participate in the adoption of resolutions by casting their votes in writing through another member of the Supervisory Board. The casting of the vote in writing may not concern the issues put on the agenda during the meeting of the Supervisory Board.
4. The Supervisory Board may adopt resolutions in writing or by means of remote communication. The resolution shall be valid if all members of the Supervisory Board have been informed of the content of a draft resolution.
5. The adoption of resolutions according to the procedure specified in items 3 and 4 above shall not refer to the appointment of the Chairperson or Vice-Chairperson of the Supervisory Board, appointment of a member of the Management Board as well as dismissal or suspension of these persons.

§ 15.

1. Meetings of the Supervisory Board shall be held as needed, at least three times in the financial year.
2. The Supervisory Board Chairperson or their deputy shall also be obliged to convene the meeting of the Supervisory Board at the written request of a member of the Supervisory Board or the Management Board of the Company. The meeting should be convened within 2 (two) weeks of the request receipt.

§ 16.

1. The Supervisory Board shall exercise constant supervision over all areas of the Company's operation.
2. The powers of the Supervisory Board include:
 - (a) Appointment and dismissal of members of the Management Board, including the Management Board President;
 - (b) Suspending some or all members of the Management Board;
 - (c) Delegating members of the Supervisory Board for not more than 3 (three) months so that they perform the duties of the Management Board members who have been dismissed, resigned or cannot perform their duties for other reasons (e.g. suspension for serious reasons);
 - (d) Assessment of the Company's financial statements for the past financial year;
 - (e) Assessment of the Management Board Report on the Company's activities in the past financial year and the Management Board motions concerning the distribution of profit or coverage of loss;
 - (f) Submission of annual reports on the assessments referred to in items (d) and (e) to the General Meeting taking into consideration the reporting requirements set out in the Code of Best Practice;

- (g) Appointment and dismissal of an audit firm conducting the audit of the Company's financial statements;
 - (h) Approval of the Management Board rules and the amendments thereto;
 - (i) Representing the Company in connection with agreements and disputes with members of the Management Board;
 - (j) Defining or changing rules governing the remuneration of the Management Board President or members of the Management Board other than the Management Board President;
 - (k) Approval of the involvement of the Management Board members in competitive activities or the participation of the Management Board members in competitive companies as their shareholders or members of their governing bodies;
 - (l) Approval of agreements with business entities whose shareholders or members of governing bodies include the members of the Management Board;
 - (m) Defining the transaction value limits on the basis of the Company's equity – the Management Board shall obtain a prior consent of the Supervisory Board for exceeding the abovementioned limits;
 - (n) Approval of the Company's paths of development;
 - (o) Approval of the acquisition or sale of real estate or leasehold estate (or interest therein) by the Company;
 - (p) Approval of the conclusion by the Company or its subsidiary of a major contract with the Company's related entity, member of the Supervisory Board or the Management Board or any entities related thereto;
 - (q) Review of and giving opinion on issues to be covered by resolutions passed by the General Meeting.
3. A major contract referred to in section 2 (p) above shall be defined as the contract with the Company's related entity whose value exceeds the equivalent of PLN 500,000 (five hundred thousand złotych), except for the contracts concluded by the Company as part of its ongoing activities with the subsidiary in which the Company holds a majority interest.

§ 17.

1. Special task committees may be appointed at the Supervisory Board.
2. At least Audit Committee shall be formed at the Supervisory Board if ZUE S.A. exceeds at the end of the financial year under analysis and the financial year preceding the financial year under analysis at least two of the three amounts specified in Article 128.4.4 of the Polish Act on Auditors.
3. The rules passed by the Supervisory Board shall define detailed rules governing the operation of the Supervisory Board and its committees.

C. GENERAL MEETING

§ 18.

1. Unless the provisions of the Polish Companies Act or these Articles of Association provide for the stricter rules, the General Meeting resolutions shall be passed by an absolute majority of votes.
2. Each share shall carry one vote at the General Meeting.

§ 19.

1. The General Meetings may be ordinary and extraordinary.
2. The Ordinary General Meeting should be held within six months of the end of each financial year.
3. The General Meeting shall be convened by the Management Board.
4. The Supervisory Board shall have the right to convene the Ordinary General Meeting if the Management Board fail to do so within the time frame specified by the law, and the Extraordinary General Meeting if the Supervisory Board deem it advisable.
5. The shareholders representing at least 50% of the Company's share capital shall also have the right to convene the Extraordinary General Meeting.
6. The shareholders representing at least 1/20 (one twentieth) of the Company's share capital shall have the right to demand that the Extraordinary General Meeting be convened and specific issues be included in the agenda. The demand shall be submitted to the Management Board of the Company in writing or by e-mail.
7. The General Meeting shall be opened by the Supervisory Board Chairperson or failing them, the Supervisory Board Vice-Chairperson. Should both the Supervisory Board Chairperson and the Supervisory Board Vice-Chairperson be absent, the General Meeting shall be opened by the Management Board President or a person appointed by the Management Board.

§ 20.

1. The General Meeting shall be held in the premises of the Company or in Warsaw.
2. The powers of the General Meeting include:
 - (a) Review and approval of the Management Board Report on the Company's activities and the financial statements for the past financial year;
 - (b) Distribution of profit or coverage of loss and allocation of the funds created by the Company;
 - (c) Granting of approval of the performance of duties by members of the Company's governing bodies;
 - (d) Amendments to the Company's Articles of Association;

- (e) Issue of bonds, including convertible bonds or bonds with the rights of priority, or issue of subscription warrants;
 - (f) Sale or lease of the enterprise or any organised part thereof and the creation of a limited right *in rem* over them;
 - (g) Adoption of the resolution on the Company's merger with another company or transformation of the Company;
 - (h) Dissolution and liquidation of the Company;
 - (i) Other issues which fall within the sole competence of the General Meeting according to the law and these Articles of Association.
- 3. The acquisition or sale of real property or leasehold right (or interest therein) shall not require any resolution of the General Meeting.
 - 4. The General Meeting may adopt a resolution on a major change of the Company's core business without having to buy out the shares of the shareholders objecting to the change if the resolution is adopted by a majority of two thirds of the votes in the presence of the shareholders representing at least 50% of the share capital.

§ 21.

The organisational rules defined by the Management Board of the Company shall define the organisation of the Company.

D. BOOK-KEEPING

§ 22.

- 1. The Company shall maintain its accounting records according to the law.
- 2. A calendar year shall be the Company's financial year.

§ 23.

- 1. The Company's net profit shall be allocated to:
 - (a) Dividends for shareholders;
 - (b) Reserve funds;
 - (c) Capital reserve and funds created by the Company;
 - (d) Other aims specified by a resolution passed by the Company's governing body.
- 2. The General Meeting shall designate the record date and the deadline for the payment of dividends.

§ 24.

The Company shall create:

- (a) Share capital;

- (b) Reserve funds;
- (c) Capital reserve;
- (d) Other capitals provided for under the law.

E. MISCELLANEOUS

§ 25.

1. The Company shall be dissolved on the basis of the General Meeting resolution on the dissolution of the Company or for other reasons provided for under the law.
2. The Company shall be dissolved after liquidation.
3. The provisions of the Polish Companies Act contains detailed rules governing the liquidation of the Company.

§ 26.

The provisions of the Polish Companies Act and other applicable laws shall apply to the issues not regulated by these Articles of Association.