



## ARTICLES OF ASSOCIATION OF SPÓŁKA AKCYJNA IZOSTAL

Consolidated text -  
Resolution No. 17/2021 of the General Meeting of IZOSTAL S.A.  
of April 29, 2021

## § 1

1. The Company's name is: "IZOSTAL" Spółka Akcyjna.
2. The Company may use the abbreviated name "IZOSTAL" S.A. and the distinctive graphic sign, as well as the company's name and its abbreviated form in foreign languages.
3. The Company is seated in Kolonowskie.
4. The Company operates in the territory of Poland and abroad.
5. The Company may establish units, branches and agencies in Poland and abroad and participate in other companies in Poland and abroad.
6. Company's duration is unlimited.

## § 2

1. Company's objects include production and commercial activity , specifically:

- a) Processing of metals and coating of metals ( 25.61.Z.)
- b) Wholesale of metal products and equipment and additional hydraulic and heating equipment (46.74.Z)
- c) Production of other plastic products (22.29.Z)
- d) Production of plastic boards, sheets, pipes and sections (22.21.Z)
- e) Recycling of sorted materials (38.32.Z)
- f) Works related to the construction of transmission pipelines and distribution networks (42.21.Z)
- g) Other financial service activity not classified elsewhere, exclusive of insurance and pension funds (64.99.Z)
- h) Other business support activity, not classified elsewhere (82.99.Z)
- i) Other technical tests and analyzes (71.20.B)
- j) Scientific research and development works in biotechnology (72.11.Z)
- k) Scientific research and development works in other natural and technical sciences (72.19.Z)
- l) Mechanical processing of metal elements (25.62. Z)
- m) Repair and maintenance of finished metal products (33.11. Z)
- n) Electricity trading (35.14.Z)
- o) Unspecialized wholesale (46.90.Z)
- p) Railway transport of goods (49.20.Z)
- q) Road transport of goods (49.41.Z)
- r) Storing and storing other commodities (52.10.B)
- s) Engineering activities and related technical consulting (71.12.Z)
- t) Leasing and renting other machines, devices and tangible property, not classified elsewhere (77.39.Z)
- u) Production of other products, not classified elsewhere (32.99.Z)
- v) Production of metal constructions and their elements (25.11. Z)
- w) Production of other finished metal products, not classified elsewhere (25.99.Z)
- x) Wholesale of metals and metal ores (46.72.Z)
- y) Wholesale of waste and scrap (46.77.Z)

2. Change in the objects is effected without the buyback of the shares of these shareholders who do not agree to the change if the resolution of the General Meeting is passed by a majority of 2/3 votes in the presence of persons representing at least half of the share capital.

## § 3

1. Company share capital is PLN 65,488,000.00 (say: sixty-five million four hundred eighty-eight thousand) and is divided in 32,744,000 (say: thirty-two million seven hundred forty-four thousand) ordinary bearer shares, of a face value of PLN 2 (two) each, including:

- a) 50,000 (fifty thousand) A series shares,
- b) 1,150,000 (one million one hundred and fifty thousand) B series shares,
- c) 150,000 (one hundred and fifty thousand) C series shares,
- d) 225,000 (two hundred and twenty-five thousand) D series shares,
- e) 1,025,000 (one million one hundred and twenty-five thousand) E series shares,
- f) 1,950,000 (one million nine hundred and fifty thousand) F series shares,
- g) 3,412,500 (three million four hundred and twelve thousand five hundred) G series shares,
- h) 3,281,500 (three million two hundred and eighty-one thousand five hundred) H series shares,

- i) 3,500,000 (three million five hundred thousand) I series shares,
- j) 6,000,000 (six million) J series shares,
- k) 12,000,000 (twelve million) K series shares,

#### § 4

1. Company shares may be redeemed upon shareholder's consent by purchase of the shares by the Company (voluntary redemption).
2. Detailed conditions and procedure for shares redemption shall be each time defined in a resolution of the General Meeting.
3. The Company may issue either bearer shares or registered shares.
4. Bearer shares are not replaceable with registered shares. Registered shares, except for the limitations under the law, shall be replaceable with bearer shares upon written request from a shareholder submitted with the Management Board and specifying the quantity and the numbers of registered shares to be replaced. A resolution on replacement of registered shares with bearer shares shall be adopted by the Management Board within 30 days from the date on which such request is submitted. In the agenda of the next General Meeting the Management Board shall put an item on the change of the statute in order to adapt its wording to the current number of registered and bearer shares.

#### § 5

1. On the basis of a resolution of the General Meeting the Company may issue bonds replaceable with Company shares or bonds with a preemption right. The Company may issue subscription warrants.

#### § 6

1. The Company's authorities shall be:

- Management Board
- Supervisory Board
- General Meeting

#### § 7

1. The Management Board shall be composed of 2 (two) to 4 (four) persons appointed and recalled by the Supervisory Board.
2. One of the appointed Management Board Members shall be entrusted by the Supervisory Board with the function of Management Board President, and at least one of the Management Board Members shall be entrusted with the function of Management Board Vice-President.
3. The Management Board members serve their term jointly and the term is 3 (three) years. A mandate of a Management Board member appointed prior to the lapse of a term of office of a given Management Board shall expire once a mandate of the other Management Board members expires.

#### § 8

1. The Company Management Board shall manage Company activity and represent it in relations with the outside world.
2. The following people shall be authorized to make statements of intent and sign documents on behalf of the Company:
  - a) two Management Board members jointly or
  - b) Management Board member with an authorized attorney.

#### § 9

1. Management Board President shall manage the works of the Management Board, specifically coordinate, supervise and organize the work of Management Board Members, and convene and chair Management Board Meetings. In case of a tie at the Management Board meeting, the Management Board President shall have a casting vote.

2. Operating procedure for the Management Board shall be defined in the Regulations of the Management Board as adopted by the Management Board and approved by the Supervisory Board.
3. For ordinary management matters each Management Board Member may run Company affairs on their own. Management Board resolutions shall be adopted for matters beyond ordinary management as well as any other matter whenever at least one Management Board member so requires.

## § 10

1. The Supervisory Board shall be composed of 5 (five) to 7 (seven) members appointed for a joint term of office lasting 5 (five) years. The number of the Supervisory Board members, as specified in the sentence above, shall be agreed by the General Meeting.
  2. Supervisory Board members shall be appointed and recalled by the General Meeting. The General Meeting may change the number of the Supervisory Board members during their term of office, yet only in relation to the change in the composition of the Supervisory Board during its term of office.
  3. The first meeting of the newly elected Supervisory Board shall be convened by the President of the Supervisory Board of the previous term of office to be held within 2 weeks at the latest from the date of appointing the Supervisory Board for the new term of office. If the President of the Supervisory Board of the previous term of office does not convene the meeting to be held, the first meeting of the Supervisory Board shall be convened by the Company Management Board.
  4. The Supervisory Board shall elect its President, Vice-President and Secretary from among themselves during the first meeting of the new term of office.
  5. Each Supervisory Board Member may be elected for the next terms of office.
  6. A Supervisory Board member may resign from the function at any time. Such resignation shall be submitted with the Management Board in writing. If a resignation of a Supervisory Board member makes the number of Supervisory Board members go down below 5 (five), the Company Management Board shall convene the General Meeting in order to complete the number.
- In other cases the Supervisory Board may act with reduced composition.
7. Remuneration of Supervisory Board members shall be determined by the General Meeting.
  8. A Supervisory Board member delegated to perform the function of a Management Board member on a temporary basis shall receive the remuneration as determined by the Supervisory Board.

## § 11

1. The Supervisory Board shall operate on the basis of the Regulations adopted by the Supervisory Board which define in detail the procedure of the Supervisory Board works.
2. Supervisory Board meetings are convened as necessary, yet at least 3 times in a business year. A Supervisory Board meeting shall be convened by Supervisory Board President in writing with a proposal of the agenda. Notification on convening a Supervisory Board meeting shall be sent to all Supervisory Board Members effectively at least 7 days prior to the meeting date. Notifications may be sent by mail (if a Supervisory Board member has previously agreed to that in writing) to the addresses indicated to the Supervisory Board President by the other Supervisory Board Members. The Management Board or a Supervisory Board Member may demand that a Supervisory Board meeting be convened, proposing an agenda of such meeting. Supervisory Board President, and if absent or if contact with them is difficult, Supervisory Board Vice-President shall convene the meeting within 2 weeks from the date of such request, to be held on the date no later than within twenty-one days from the lapse of the two-week period.
3. Supervisory Board resolutions shall be adopted by an absolute majority of votes in the presence of at least half of the Supervisory Board members. If there is a tie, the Supervisory Board President shall have a casting vote.
4. A meeting of the Supervisory Board may take place without being formally convened if all members of the Supervisory Board agree to do so no later than on the day of the meeting and confirm it in writing, by e-mail or by signing the attendance list. No resolution may be passed on an item not included in the agenda, unless all members of the Supervisory Board are present at the meeting and none of those present raises any objection to such an item.
5. Members of the Supervisory Board may take part in adopting resolutions of the Board by casting their vote in writing through another member of the Supervisory Board, with the proviso that casting a vote in writing may not concern matters introduced to the agenda at a meeting of the Supervisory Board.
6. The Supervisory Board may adopt resolutions in writing or using means of direct remote communication (telecommunications means - telephone, teleconference, e-mail, and other similar technical means). The resolution shall be valid if all members of the Supervisory Board have been notified of the contents of the draft resolution and at least half of the members of the Board have participated in passing it.

7. The Supervisory Board may adopt resolutions in writing or using means of direct remote communication also in matters for which the Company's Articles of Association provide for voting by secret ballot, provided that none of the Supervisory Board members raises an objection.

## § 12

1. Supervisory Board shall supervise Company operations.
2. In addition to other matters indicated in the Commercial Companies Code and these Articles, the competences of the Supervisory Board include among others:
  - a) evaluating the Company's financial statements, the Management Board's report on the Company's activities and its proposals concerning the distribution of profit or coverage of loss, as well as submitting annual reports on the results of those evaluations to the General Meeting and submitting proposals on discharging members of the Management Board from their duties,
  - b) appointing and recalling Management Board members and suspending them in their activity,
  - c) defining the remunerating principles and amount of remuneration for Management Board members,
  - d) giving an approval for Management Board members to other benefits than their remuneration for their work performed for the Company,
  - e) approving the Regulations of the Management Board and the organization by-laws,
  - f) concluding contracts between the Company and Management Board members and representing the Company in matters related to work performance for the Company by a Management Board member; in such cases the Company shall be represented by the Supervisory Board President or another Supervisory Board member authorized so by a Supervisory Board resolution - the same procedure applies for statements of intent by the Company arising from or related to termination of such contracts,
  - g) selecting a chartered auditor for the audit of the Company's financial statement,
  - h) approving annual financial plans of the Company,
  - i) giving an approval for the Company to the acquisition and disposal of real properties, perpetual usufruct right or share in real property,
  - j) analyzing and providing opinions on matters that require General Meeting resolutions,
  - k) determining the manner of voting right execution in the management of those companies where the Company holds shares, in matters referring to:
    - i) change of articles or memorandum of association
    - ii) increase or decrease of Company share capital
    - iii) mergers, transformations, dissolution or wind-up of the Company,
    - iv) disposal of Company shares
    - v) disposal or lease of Company business, establishing leasehold or sale of company real properties
  - l) establishing the standardized text of the amended Articles of the Company or effecting other formulation amendments specified in a General Meeting resolution
  - m) validating the following :
    - i) concluding by the Company of a material transaction within the meaning of Article 90 h of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies with entities related to the Company within the meaning of the aforementioned provision, taking into account Articles 90h - 90l of the aforementioned Act, including the exemptions from the consent requirement set out therein, subject to the provisions of item 2(f);
    - ii) conclusion of long-term contracts which result in Company obligations for a period of over one year, the one-off value of which exceeds the equivalent of 20% of equity according to the latest approved financial statement of the Company and which are not covered by the Company financial plan approved by the Supervisory Board;
    - iii) utilization by the Company of credits, loans and performance of other legal acts in order to obtain borrowing if the total one-off value of such an operation exceeds 20% or, collectively in a business year, 50% of Company equity as specified in the latest approved financial statement of the Company;
    - iv) purchase, sale, lease, replacement, pledge, mortgage of Company property if the total value of such action exceeds 30% of Company equity as defined in the latest approved financial statement of the Company;
    - v) establishment by the Company of another company, acquisition or purchase and sale of shares in other companies, except for the cases where acquisition of purchase is effected against Company receivables as part of bankruptcy proceeding with a composition option or part of enforcement proceeding,
  - n) preparing and presenting to the Ordinary General Meeting an annual report on the activity of the Supervisory Board together with a concise evaluation of the Company's situation, evaluation of the internal control system and the significant risk management system;

- o) preparing and submitting to the General Meeting an annual report on remuneration of the members of the Management Board and the Supervisory Board;
- p) adopting a decision on temporary derogation from the remuneration policy for members of the Management Board and the Supervisory Board.

3. A Supervisory Board member may not cast votes in matters that concern them personally or materially.

### § 13

1. The Supervisory Board incorporates an Audit Committee.
2. The audit committee comprises of 3 members.
3. Most of the members of the audit committee, including its chairman, meet the independence criteria set out in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision.
4. At least one member of the audit committee has knowledge and skills in accounting or auditing.
5. At least one member of the audit committee has knowledge and skills in the industry in which the Company operates, or individual members within specified ranges have knowledge and skills in that industry.
6. The Audit Committee operates in accordance with the provisions of Article 128 et seq. of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision, and in accordance with its regulations approved by the Supervisory Board.

### § 14

1. The General Meetings shall be held in the Company's seat and they can also held in Dąbrowa Górnicza or Warsaw.
2. The General Meeting may be held as annual or extraordinary session.
3. The Annual General Meeting shall be convened by the Management Board and be held within six months following the end of each business year. The Supervisory Board may convene an Ordinary General Meeting if the Management Board fails to convene it within the time limit specified in the previous sentence.
4. The Extraordinary General Meeting shall be convened by the Company Management Board as necessary whenever they so request, upon request of the Supervisory Board or Shareholders in the cases provided for in the Commercial Companies Code.
5. The General Meeting shall be convened within 14 days from the date an authorized authority submits its request.
6. In the cases indicated in the Commercial Companies Code, the General Meeting may be convened by the Supervisory Board or Shareholders at the dates making it possible for the Management Board to meet the legal obligations.
7. Shareholders may participate in the General Meeting and exercise their voting right in person or via plenipotentiaries.
8. The Shareholders convening the Extraordinary General Meeting on the basis of Art. 399 § 3 of the Commercial Companies Code or on the basis of the ruling of the court of registration issued on the basis of Art. 400 § 3 of the Commercial Companies Code shall be obligated to inform the Company without unnecessary delay on convening the Annual General Meeting.
9. When the Shareholders convene the Extraordinary General Meeting on the basis of Art. 399 § 3 of the Commercial Companies Code or on the basis of the ruling of the court of registration issued under the procedure of Art. 400 § 3 of the Commercial Companies Code, the Management Board shall be obligated to take the actions required to organize and conduct the General Meeting immediately.
10. No participation in the General Meeting through means of electronic communication is allowed.

### § 15

1. The General Meeting shall adopt its regulations defining in detail the procedure for running the sessions.
2. The General Meeting shall be opened by the Supervisory Board President or a person indicated by them. Should the Supervisory Board President be absent from the General Meeting or not indicate a person for opening the meeting, the General Meeting shall be opened by the Management Board President or a person indicated by them, and in the absence of these persons, by the Shareholder or a person representing the Shareholder holding the largest percentage of shares in Company share capital who is present in the General Meeting.
3. The sessions of the General Meeting shall be attended by Management Board members and Supervisory Board members who are able to provide material answers to the questions asked during the General Meeting.

## § 16

1. The General Meeting shall be authorized to adopt resolutions on:

- a) analysis and approval of the Company financial statement and Management Board's report on Company activity for the previous business year,
- b) profit appropriation or loss coverage,
- c) granting a vote of approval to members of the Company authorities for the performance of their duties,
- d) establishing and reversing reserve capital, special funds and defining their purpose,
- e) decisions regarding claims for rectification of damage while establishing the Company or supervising management or supervision,
- f) appointing and recalling Company Supervisory Board members,
- g) appointing and recalling liquidators,
- h) determining remuneration for Company Supervisory Board members,
- i) adopting the regulations for the sessions of the General Meeting,
- j) marketing Company shares in an organized system for securities trading.

2. In addition to the matters mentioned in clause 1, the General Meeting shall also adopt resolutions on the matters specified in the provisions of the law and in these Regulations.

3. Purchase and sale by the Company of real properties, perpetual usufruct right or share in a real property shall not require a resolution of the General Meeting.

## § 17

1. The Company shall establish a spare capital for the coverage of balance sheet losses. 8% (eight per cent) of annual net profit shall be transferred to the spare capital yearly until the spare capital achieves the level of at least 1/3 (one third) of the share capital.

2. The General Meeting may decide to establish other capitals for coverage of specific losses or expenditure (reserve capitals).

3. The procedure for establishing reserve capitals shall be defined by the General Meeting.

4. The General Meeting may preclude the appropriation of profit generated by the Company and allocate it to the spare capital, reserve capital or other special funds or other acceptable purposes.

5. The General Meeting shall be authorized to define the date on which the list of shareholders authorized to receive a dividend for a given business year shall be set up (dividend date) and the dividend payment date allowing for Art. 348 of the Commercial Companies Code.

6. The Company discharges its pecuniary obligations to its shareholders out of their rights attached to the shares itself or through an entity maintaining a register of shareholders.

## § 18

1. The Company's business year shall be the calendar year. The first business year closes on December 31, 1994.

## § 19

1. The Company's founders are:

- a) Przedsiębiorstwo Polskie Górnictwo Naftowe i Gazownictwo seated in Warsaw,
- b) Huta Katowice S.A. seated in Dąbrowa Górnicza,
- c) Przedsiębiorstwo Wielobranżowe VARPLEX Sp. z o.o. seated in Dąbrowa Górnicza,
- d) Selmers B.V. seated in Ursem – the Netherlands,
- e) Grupa Inwestycyjna NYWIG Sp. z o.o. seated in Warsaw,
- f) Huta "Andrzej" seated in Zawadzkie,
- g) Huta Batory seated in Chorzów.

## § 20

1. For matters not governed herein the relevant provisions of the Commercial Companies Code and other legal regulations effective for the scope shall be applicable.