

# FULL WORDING OF THE ARTICLES OF ASSOCIATION

of the joint stock company, Západoslovenská energetika, a.s.

valid as of the date of August 12, 2016

## PART I: FUNDAMENTAL PROVISIONS

### Article I

#### Business Name and Registered Address of the Company

1. The business name of the joint-stock company is:  
Západoslovenská energetika, a.s.
2. Registered address of the Company:  
Čulenova 6, Bratislava, Post Code: 816 47

### Article II Objects

The business of line of the Company shall be as follows:

- calibration of electric quantity gauges, verification of designated gauges and parameter-setting of all types of meters and control equipment of measuring sets
- installation, maintenance and repair of telecommunication devices except for public radio and telephone service
- purchase of goods to the extent of unqualified trade
- the provision of software
- automated data processing
- mediation activity
- consultancy and advisory in power engineering
- the performance of advisory on labour protection
- the performance of education on labour protection
- lease of mechanisms
- the procurement of services related to real estate administration
- software provision
- administration of computer networks, graphical computer jobs
- business activities in waste management with other than dangerous waste
- lease of transportation means and movable items in the free business scope
- washing and cleaning motor vehicles
- mediation of sale, purchase and rental of real estates
- procurement of services related to real estate rental and maintenance
- real estate rental with providing also other than basic services related to rental
- operating garages and lay-by areas serving for locating at least five vehicles belonging to other persons than real estate owner or tenant
- elaborating documentation and design of simple constructions, small constructions and modifications of these constructions
- activity of business, organization, economic and accounting consultants
- accounting service, accounting counseling
- advisory services in the management and marketing field
- personnel advisory except personnel leasing
- administrative services
- economic and salary administration service
- registry administration
- public procurement
- operating storages except public ones
- market research and analysis, public opinion research
- counseling in the field of computer art and telecommunication services
- lease of computer equipment, machines and devices
- assembly, maintenance, repair, administration of computer networks and computer equipment
- storing documents of non-archive nature
- lecturing activity in the free business scope
- organizing courses, training and workshops
- marketing, advertising and promotional activity
- public relations - activity in the field of public communication
- organizing cultural, sporting and social events in the free business scope
- providing of publicly available information
- security-technical service

- coordination of security
- performance of simple constructions, small constructions and their modifications
- computer graphics in the range of unqualified trade
- water management
- hazardous waste management
- financial commissioning in compliance with the special regulation
- provision of loans and credits from the financial sources acquired exclusively without public offers
- translation and interpreting services from and to English and German
- operating charging stations for e-vehicles,
- computer data processing related services
- research and development in natural and technical sciences.

### Article III

#### Establishment and Duration of the Company

1. The Company was established by decision of the sole founder and by the foundation deed dated 15.10.2001 without an invitation to subscribe for shares. The Company is a privately-owned joint-stock company.
2. The Company has been established for an indefinite period of time.

## PART II: REGISTERED CAPITAL OF THE COMPANY

### Article IV

#### Registered Capital of the Company

1. The registered capital of the Company amounts to EUR 196,969,174.86 (in words: One Hundred and Ninety-six Million Nine Hundred and Sixty-nine Thousand One Hundred and Seventy-four Euros and Eighty-six Cents).
2. The registered capital of the Company as at the date of its incorporation was formed with a non-monetary contribution of the founder as stated in the foundation deed of the Company. The foundation deed defines the subject matter of the non-monetary contribution to the registered capital of the Company as a part of assets serving the operation of the wound-up state enterprise, Západoslovenské energetické závody, š.p., as well as all rights, obligations and undertakings (including those unknown) save for rights pursuant to Section 16 of Act No. 92/1991 Coll., On the Conditions of Transfer of State Property to Other Individuals/Entities. The valuation of the non-monetary contribution of the founder to the registered capital of the Company supported by an expert appraisal, is replaced, pursuant to Section 44 of Act No. 92/1991 Coll., with the valuation of the contributed assets of Západoslovenské energetické závody, š.p. contained in the privatization project of the above state-owned enterprise.
3. The non-monetary contribution of the founder was paid in full as at the date of the Company's incorporation.
4. The registered capital is divided into 5,934,594 (in words: five million nine hundred and thirty-four thousand five hundred and ninety-four) shares of a nominal value of EUR 33.19 (in words: Thirty-three Euros and Nineteen Cents) each.

### Article V

#### Increase in and Reduction of the Registered Capital

1. The General Meeting shall decide on an increase in or reduction of the registered capital by a two-thirds majority of the votes of all shareholders. If the Company has only two shareholders it shall adopt such decision unanimously.
2. The procedure, method and all other issues related to an increase in and reduction of the Company's registered capital shall be governed by the provisions of the Commercial Code.

## PART III: SHARES OF THE COMPANY

### Article VI

#### Types, Form, Character and Nominal Value of Shares

1. A share represents the rights of a shareholder as a member to participate, in accordance with the law and these Articles of Association, in the Company's management, profit and liquidation balance upon the winding-up of the Company, which rights are attached to

the share as to a security unless provided otherwise by the Commercial Code or a separate act.

2. The registered capital of the Company is divided into 5,934,594 (in words: five million nine hundred and thirty-four thousand five hundred and ninety-four) shares.
3. The Company's shares have been issued as uncertificated registered securities. The nominal value of each share is EUR 33,19 (in words: Thirty-three Euros and Nineteen Cents), the sum of the nominal values of all the Company's shares amounts to EUR 196,969,174.86 (in words: One Hundred and Ninety-six Million Nine Hundred and Sixty-nine Thousand One Hundred and Seventy-four Euros and Eighty-six Cents).
4. The General Meeting may decide on the issue of shares:
  - a) of various forms;
  - b) of various nominal values (EUR 33.19 or another value expressed as a positive even number) unless provided otherwise by Law;
  - c) of various types (ordinary, preference) distinguished by name and contents of the rights attached thereto.
5. Shares shall be transferable by way of registration of the transfer at a special register of securities as set out by a separate act.
6. The Company, or an individual/entity acting in its own name and on the account of the Company, may only acquire the Company's shares subject to the conditions set out by the Commercial Code.

## Article VII

### Restriction on the Transferability of Shares

1. A shareholder of the Company shall be entitled to transfer any shares of the Company owned thereby only if the General Meeting grants its prior consent to the transfer of such shares by its decision.
2. The General Meeting of the Company shall only be entitled to refuse the prior consent to the transfer of shares pursuant to Clause 1 of this Article of the Articles of Association, if the provisions of these Articles of Association on share transfers have not been adhered to.
3. The General Meeting shall be obliged to decide on a request of a shareholder for consent pursuant to Clause 1 of this Article and to notify the shareholder of its decision within (i) forty days after the Relevant Date as defined in Clause 1h) of Article VIII if the provisions of Clauses 1b) – 1j) of Article VIII are relevant or otherwise (ii) within forty days after receiving the shareholder's request.

## Article VIII

### Pre-emption rights

1.
  - a) A shareholder may transfer its shares, or any part thereof, to another person if it complies with the provisions set out below, unless all of the shareholders notify the chairman and vice-chairman of the Supervisory Board that they waive their pre-emption rights described below.
  - b) If a shareholder (the "**Transferor**") wishes to transfer its shares, or any part thereof, then the Transferor shall first give written notice thereof (the "**Transfer Notice**") to the other shareholders (the "**Recipients**") and the chairman and vice-chairman of the Supervisory Board. The Transfer Notice shall provide at least the following information:
    - (i) the number of shares to be transferred (the "**Transfer Shares**"); and
    - (ii) the price for each Transfer Share ("**Price**"), which shall be, at the option of the Transferor, the Option Price, or any price which has been demonstrably offered by a third party in good faith, or the Market Price as determined by the Determining Person at any time during the period of 20 Business Days prior to the date of the Transfer Notice; and
    - (iii) written confirmation of the Market Price from the Determining Person (the cost of establishing the Market Price being borne by the Company) if the Price chosen by the Transferor is the Market Price; and
    - (iv) payment conditions; and
    - (v) any other conditions of the transfer.
  - c) The Transfer Notice shall constitute an offer by the Transferor to the Recipients to transfer the Transfer Shares to the Recipients at the Price and on the terms set out in the Transfer Notice subject to the provision that no Recipient shall be required to fulfill any non-monetary terms not capable of being reasonably performed by the Recipient (the "**Offer**").
  - d) The Recipients shall have the right to purchase all, but not less than all, of the Transfer Shares in accordance with the terms of the Offer. Each Recipient shall exercise its right given in the preceding sentence on a pro-rata basis corresponding to the aggregate

nominal value of the shares held by it in proportion to the total nominal value of all shares held by all Recipients. A Recipient may transfer its pre-emption right under this Clause 1d) of this Article to any other Recipient by notice given in writing to the chairman and vice-chairman of the Supervisory Board within a period of 60 days commencing on the date of receipt of the Transfer Notice.

- e) Each Recipient shall, within a period of 60 days commencing on the date of receipt of the Transfer Notice, notify the Transferor and the chairman and vice-chairman of the Supervisory Board in writing as to whether it wishes to exercise its pre-emptive right to acquire the Transfer Shares on the terms of the Offer.
  - f) The exercise of the pre-emptive right shall be evidenced by a written notice (the "**Acceptance Notice**") addressed and delivered to the Transferor and the chairman and vice-chairman of the Supervisory Board. The Acceptance Notice shall specify whether the Recipient wishes to accept or refuse the Offer.
  - g) Should the Acceptance Notice fail to be delivered in the 60 day period referred to in Clause 1e) of this Article, the Offer shall be deemed refused.
  - h) If the Recipients accept the Offer all the Transfer Shares shall be sold to the Recipients on the terms of the Offer. The execution by the Transferor and the Recipients of all documents necessary to be executed by them to transfer the Transfer Shares shall take place at such time and place as the Transferor and the Recipients shall agree in writing, but in default of such agreement it shall take place in the registered office of the Company at 14.00 Bratislava time on the twentieth Business Day after the date by which the Acceptance Notice was received by both the chairman and vice-chairman of the Supervisory Board. If a Recipient rejects the Offer, or if the Offer is deemed refused in accordance with Clause 1g) of this Article, the Transferor has the right to transfer all, but no less than all, the Transfer Shares to a third party, within the period of one hundred and twenty (120) days commencing on (i) the last day of the sixty – day period referred to in Clause 1e) of this Article or (ii) the date by which both the chairman and vice-chairman of the Supervisory Board have received notice from the Recipient that it wishes to refuse the Offer, whichever date is relevant ("**Relevant Date**"). The transfer to the third party may not be for a price which is lower than the Price, nor may the transfer take place on terms and conditions more favorable to the transferee than those contained in the Offer.
  - i) Each Offer shall be processed in accordance with the order of receipt of the Transfer Notices by the chairman and vice-chairman of the Supervisory Board. Once the processing of one Offer has been commenced in accordance with the procedure set out above, the processing of any subsequent Offer shall not be commenced until the processing of the immediately prior Offer has been completed.
  - j) If the transfer to a Recipient, or to the third party referred to in Clause 1h) of this Article, is subject to a decision of the Antimonopoly Office of the Slovak Republic, the periods of twenty Business Days and one hundred and twenty days referred to in that Clause shall, if the relevant decision of the Antimonopoly Office of the Slovak Republic has not been made by the tenth Business Day prior to the end of such period, be extended so that they expire at the end of the tenth Business Day after the day on which the Antimonopoly Office of the Slovak Republic makes the relevant enforceable decision.
2. Provisions of Clause 1 a) to 1 j) of this Article VIII shall not apply to the following transfers of shares of the Company:
    - (i) any transfer of shares held by the NPF to a Public Institution;
    - (ii) any transfer of shares held by E.ON Energie AG and/or EBRD to a member of EON Group;
    - (iii) any transfer of shares between the NPF and E.ON Energie AG and between E.ON Energie AG and EBRD; and
    - (iv) any transfer of shares agreed among NPF, E.ON Energie AG and EBRD in writing.

## PART IV: SHAREHOLDERS OF THE COMPANY

### Article IX

#### Shareholders of the Company

1. A shareholder of the Company may be a Slovak or foreign legal entity or a private individual.
2. Upon the entry of the Company or an increase in its registered capital in the Commercial Register, the shares subscriber shall acquire the rights of a shareholder as a member of the joint-stock company corresponding to the shares subscribed. In the event of an increase in the registered capital, the first sentence shall apply if the Law does not set out a sooner effect of an increase in the registered capital.

### Article X

## Rights and Obligations of Shareholders

1. The exercise of shareholder rights may be restricted or suspended only on the basis of the provisions of the Commercial Code or a separate act.
  2. A shareholder may not exercise shareholder rights to the detriment of rights and legitimate interests of other shareholders.
  3. The Company shall treat all shareholders equally under equal conditions.
  4. The basic rights of a shareholder shall include the right to participate in the management of the Company and in the profit and in the liquidation balance upon the winding-up of the Company by way of liquidation.
  5. The right to participate in the management of the Company shall be exercised by a shareholder attending the General Meeting, while a shareholder must respect organizational rules applicable to the holding of General Meetings. The voting right which belongs to a shareholder shall be governed by the nominal value of his shares, while one vote shall attach to each EUR 33,19 (in words: Thirty-three Euros and Nineteen Cents).
  6. A shareholder shall be entitled to a share in the Company's profit (a dividend) which the General Meeting earmarked for distribution in accordance with the financial results. This share shall be determined in accordance with the proportion of the sum of the nominal values of his shares to the sum of the nominal values of shares of all shareholders. A shareholder shall not be obliged to return to the Company any dividend accepted in good will.
  7. The Company may not return contributions to shareholders.
  8. A shareholder shall be obliged to pay the issue price of shares within one year of the date of the Company's incorporation. Upon an increase in the registered capital, the one-year period pursuant to the first sentence shall commence on the date of the subscription to shares by the shareholder unless provided otherwise by Law. The consequences of a breach of a shareholder's obligation to pay the issue price of shares shall be governed by the Commercial Code.
- j) approval of the agreement on performance of offices of the members of the Managing Board of Directors and their remuneration upon a proposal of the Managing Board of Directors and approval of the agreement on performance of offices of the members of the Supervisory Board and their remuneration upon a proposal of the Supervisory Board;
  - k) decisions on the change of rights associated with respective types of shares;
  - l) decision-making on the approval of a contract on the transfer of the Company's business or contract on the transfer of a part of the Company's business;
  - m) decisions on the change of the form of any share;
  - n) decision-making on the approval of a transfer by the Company of any assets with a market value in excess of 20% of the Company's turnover in the immediately preceding financial year, or the sale of which concerns 20% of the Company's employees;
  - o) decisions on the commencement or cessation of trading of the Company's shares on a stock exchange;
  - p) decision on the issue of shares, options or other securities or instruments giving any rights to, or the right to subscribe for, shares or other ownership interests in the Company, and decisions on the grant, by the Company, of any rights to acquire shares or other ownership interests in the Company;
  - q) approval of transfer of shares in accordance with Article VII;
  - r) appointment and recall of the Determining Person;
  - s) approvals of the proposals disapproved by the Supervisory Board according to the Article XX., Section 9 of the Articles of Association;
  - t) decisions on other issues included by law or the Articles of Association for powers of the General Meeting;
  - u) prior approval of the following matters concerning Západoslovenská distribučná:
    - (i) amendment of the Articles of Association of Západoslovenská distribučná;
    - (ii) decision on an increase or decrease in the registered capital of Západoslovenská distribučná;
    - (iii) decision on the issue of bonds in Západoslovenská distribučná;
    - (iv) decision on a dissolution, amalgamation, merger, or demerger of Západoslovenská distribučná and on a change in the legal form of Západoslovenská distribučná;
    - (v) decision on distribution of profits or coverage of losses, and determination of royalties ("tantiém") in Západoslovenská distribučná, or decision on non-distribution of profits or royalties ("tantiém") in Západoslovenská distribučná (including, for avoidance of doubts, approval of payment of dividends in Západoslovenská distribučná);
    - (vi) decision on a change in the form of Západoslovenská distribučná shares and conversion of Západoslovenská distribučná shares issued as physical securities to book-entry securities and vice versa;
    - (vii) decision-making on the approval of a contract on the transfer of the Západoslovenská distribučná enterprise or a contract on the transfer of a part of the Západoslovenská distribučná enterprise and decision-making on the approval of a contribution of the Západoslovenská distribučná enterprise or contribution of a part of the Západoslovenská distribučná enterprise in the registered capital of another business company;
    - (viii) approval of rules of procedure of the Západoslovenská distribučná's Supervisory Board;
    - (ix) decision on a change in rights attached to particular classes of Západoslovenská distribučná shares;
    - (x) decision on the issue of shares, options or other securities or instruments giving any rights to, or the right to subscribe for, shares or other ownership interests in Západoslovenská distribučná, and decisions on the grant, by Západoslovenská distribučná, of any rights to acquire shares or other ownership interests in Západoslovenská distribučná;
    - (xi) making the public offer of Západoslovenská distribučná shares according to the Act No. 566/2001 Coll. On Securities, as later amended;
    - (xii) decision-making on proposals of the Managing Board of Directors of Západoslovenská distribučná disapproved by the Supervisory Board of Západoslovenská distribučná in the cases when the approval of the Supervisory Board of Západoslovenská distribučná is required by the valid Articles of Association of Západoslovenská distribučná;
  - v) prior approval of the following matters concerning ZSE Energia:
    - (i) amendment of the Articles of Association of ZSE Energia;
    - (ii) decision on an increase or decrease in the registered capital of ZSE Energia;

## PART V: BODIES OF THE COMPANY

### Article XI

#### Bodies of the Company

The bodies of the Company are:

- a) the General Meeting;
- b) the Managing Board of Directors;
- c) the Supervisory Board;
- d) the Audit Committee.

### General Meeting

### Article XII

#### Powers of the General Meeting

1. The General Meeting is the supreme body of the Company.
  2. The General Meeting shall decide on issues concerning the Company's activities which are included in its powers by these Articles of Association, the Commercial Code or a separate act.
  3. Its powers shall include the decision-making on the following-matters:
    - a) amendments to the Articles of Association;
    - b) decisions on an increase in and a reduction of the registered capital, authorization of the Board of Directors to increase the registered capital pursuant to Commercial Code, and issue of bonds;
    - c) decisions on the winding up of the Company by way of demerger, merger, amalgamation or transformation into another form of a commercial company or a co-operative;
    - d) decisions on the winding-up of the Company with liquidation, appointment of the liquidator and determination of the liquidator's fee;
    - e) election and removal of members of the Company's Supervisory Board, save for members of the Supervisory Board elected and removed by employees;
    - f) election and removal of members of the Company's Managing Board of Directors and appointment of the chairman and vice-chairman of the Managing Board of Directors;
    - g) approval of ordinary, extraordinary or consolidated financial statements, decisions on the distribution of profit or settlement of losses, including the determination of the amount of directors' shares;
    - h) approval of the annual report;
    - i) approval of the rules of procedure of the Company's Supervisory Board;
- (viii) approval of rules of procedure of the Západoslovenská distribučná's Supervisory Board;
  - (ix) decision on a change in rights attached to particular classes of Západoslovenská distribučná shares;
  - (x) decision on the issue of shares, options or other securities or instruments giving any rights to, or the right to subscribe for, shares or other ownership interests in Západoslovenská distribučná, and decisions on the grant, by Západoslovenská distribučná, of any rights to acquire shares or other ownership interests in Západoslovenská distribučná;
  - (xi) making the public offer of Západoslovenská distribučná shares according to the Act No. 566/2001 Coll. On Securities, as later amended;
  - (xii) decision-making on proposals of the Managing Board of Directors of Západoslovenská distribučná disapproved by the Supervisory Board of Západoslovenská distribučná in the cases when the approval of the Supervisory Board of Západoslovenská distribučná is required by the valid Articles of Association of Západoslovenská distribučná;
- v) prior approval of the following matters concerning ZSE Energia:
    - (i) amendment of the Articles of Association of ZSE Energia;
    - (ii) decision on an increase or decrease in the registered capital of ZSE Energia;

- (iii) decision on the issue of bonds in ZSE Energia;
  - (iv) decision on a dissolution, amalgamation, merger, or demerger of ZSE Energia and on a change in the legal form of ZSE Energia;
  - (v) decision on distribution of profits or coverage of losses, and determination of royalties ("tantiém") in ZSE Energia, or decision on non-distribution of profits or royalties ("tantiém") in ZSE Energia (including, for avoidance of doubts, approval of payment of dividends in ZSE Energia);
  - (vi) decision on a change in the form of ZSE Energia shares and conversion of ZSE Energia shares issued as physical securities to book-entry securities and vice versa;
  - (vii) approval of rules of procedure of the ZSE Energia's Supervisory Board;
  - (viii) decision on a change in rights attached to particular classes of ZSE Energia shares;
  - (ix) decision on the issue of shares, options or other securities or instruments giving any rights to, or the right to subscribe for, shares or other ownership interests in ZSE Energia, and decisions on the grant, by ZSE Energia, of any rights to acquire shares or other ownership interests in ZSE Energia;
  - (x) decision-making on proposals of the Managing Board of Directors of ZSE Energia disapproved by the Supervisory Board of ZSE Energia in the cases when approval of the Supervisory Board of ZSE Energia is required by the valid Articles of Association of ZSE Energia.
- (w) prior approval with any amendments/changes/improvements of the Agreement on Novation wording of which was approved by the General Meeting of ZSE on 30.5.2014 and forms an inseparable annex to this Articles of Association;
- (x) election and removal of members of the Company's Audit Committee, approval of the agreement on performance of office of the members of the Audit Committee and their remuneration and approval of the rules of procedure of the Company's Audit Committee.

### Article XIII

#### Method of Convening General Meetings, Venue and Attendance at General Meetings

1. The General Meeting shall be convened by the Managing Board of Directors unless provided otherwise by these Articles of Association or the Commercial Code.
2. The Managing Board of Directors shall be obliged to convene a regular General Meeting within two months of the date of the filing of the tax return. A notice of a regular General Meeting or attachments thereto shall include the main details of the annual financial statement.
3. An extraordinary General Meeting shall be convened by the Managing Board of Directors, in particular, when:
  - a) the previous General Meeting so decides;
  - b) it is requested in writing, stating their reasons, by a shareholder/shareholders holding shares of a nominal value of at last 5% of the registered capital, which request shall include proposed matters to be discussed by the extraordinary General Meeting;
  - c) if important interests of the Company so require;
  - d) if it establishes that the Company's loss has exceeded the value of one third of the registered capital or might be expected so to do; in such a case, the Managing Board of Directors shall also submit proposed measures to the General Meeting.
4. An extraordinary General Meeting shall be convened by the Supervisory Board for reasons referred to in Article XX(2) of the Articles of Association.
5. The Managing Board of Directors shall convene the General Meeting by way of a notice of the General Meeting. A notice of General Meeting shall be sent to all shareholders by recorded mail to their addresses as shown in the list of shareholders at least 30 days prior to the date of the General Meeting. A notice of a General Meeting shall include all details as set out by legal regulations and the information that documents to be discussed at the General Meeting shall be available to shareholders for inspection at the registered address of the Company no later than 3 calendar days prior to the date of the General Meeting.
6. A notice of the General Meeting, together with documents to be discussed by the General Meeting, shall also be sent by the Managing Board of Directors to each member of the Supervisory Board to an address provided thereby, otherwise to the address shown in an extract from the Commercial Register for the Company at least 30 days prior to the date of the General Meeting.
7. As a rule, the General Meeting shall take place at the registered address of the Company, however, it may also take place at a different venue.
8. A shareholder may exercise his rights at the General Meeting in person or through a proxy

on the basis of a written power of attorney. A proxy shall be authorized to attend the General Meeting by a written power of attorney containing the name, registered address and Company ID of the relevant legal entity if assigned, or the name, surname, birth number or date of birth and address of the private individual, both for the shareholder and the proxy, the number and nominal value of shares which entitle the shareholder to vote, and a certified signature of the shareholder. Where the proxy represents a shareholder that is a legal entity, an original or certified copy of an extract from the Commercial Register or, as the case may be, an original or certified copy of a record which identifies the statutory body the actions of which are the actions of the shareholder, shall be attached to the power of attorney. The original or certified copy of the extract from the Commercial Register, or the record which identifies the statutory body the actions of which are the actions of the shareholder, shall not be older than 3 months. A proxy may not be a member of the Company's Supervisory Board. If a shareholder that issued the power of attorney attends the General Meeting, the power of attorney shall become ineffective. The power of attorney shall only apply to one General Meeting. A copy of the power of attorney shall be submitted upon the entry of the shareholder in the attendance list of shareholders for record-keeping purposes.

9. General Meetings shall be attended by members of the Managing Board of Directors and the Supervisory Board and by any other invited individuals.
10. Where the Company has a sole shareholder, this shareholder shall exercise the powers of the General Meeting by way of a written decision which shall be signed by this shareholder. In cases stipulated by Law, such a decision shall be in the form of a notarial deed. The sole shareholder may, at any time, convene the General Meeting the powers of which he exercises, while the provisions hereof concerning the convening of General Meetings shall not apply.
11. A shareholder shall attend the General Meeting at his own expense.

### Article XIV

#### Organization of the General Meeting

1. The organization of the General Meeting shall be procured by the Managing Board of Directors.
2. The entry of shareholders in the attendance list of shareholders shall be arranged by the Managing Board of Directors. The right of a shareholder to attend the General Meeting shall be verified on the basis of an extract from the issuer's register maintained at the register of securities as set out in a special act. Where a General Meeting is convened by the sole shareholder, an extract from the issuer's register may replace the statement of account of the sole shareholder maintained at the register of securities as set out in a special act.
3. The attendance list of shareholders shall include, without limitation, the following details:
  - a) where a shareholder is a legal entity, its name and registered address;
  - b) where a shareholder is a private individual, his name, surname and address;
  - c) number and sum of the nominal values of shares which entitle the shareholder to vote;
  - d) if a shareholder authorizes another individual to represent him at the General Meeting, identification details of the proxy shall also be entered in the list of shareholders.
4. The attendance list of shareholders shall bear the business name and registered address of the Company and the date of the General Meeting. The accuracy of the attendance list of shareholders shall be confirmed by the signatures of the chairman of the General Meeting and the minute taker elected in accordance with these Articles of Association.
5. At the same time, the Managing Board of Directors shall procure a ballot paper for each shareholder, which ballot paper shall bear the name and surname of the shareholder or, as the case may be, the business name of the shareholder, number and nominal value of his/its shares, the date and venue of the General Meeting and a clearly stated number of the shareholder's votes.
6. Until the election of the chairman of the General Meeting, the Managing Board of Directors shall authorize a member of the Managing Board of Directors to chair the meeting (hereinafter the "Authorized Member"). The Authorized Member shall propose the election of the chairman of the General Meeting, the minute taker, two minute verifiers and the required number of individuals authorized to count votes (scrutinizers). When electing the above, all candidates nominated by the Authorized Member shall be first voted on jointly. If required, the Authorized Member may call a separate vote in respect of some candidates. If the candidates are not elected in this manner, the Authorized Member shall be obliged to change the candidates according to the shareholders' proposals.
7. The General Meeting shall be chaired by the chairman of the General Meeting.
8. The Managing Board of Directors shall be obliged to procure the preparation of minutes

of the General Meeting. If it is required under legal regulations that the decision of the General Meeting is in the form of a notarial deed, the Managing Board of Directors shall be obliged to provide for a harmonization of the content of the minutes of the General Meeting with the notarial deed.

9. The minutes of the General Meeting shall include all details required by the Commercial Code.
10. All proposals and materials submitted to the General Meeting for discussion shall be attached to the minutes. Attached to the minutes shall be the attendance list of shareholders as well as an extract from the issuer's register maintained in the register of securities as set out in a special act.
11. The Managing Board of Directors shall be obliged, at the request of a shareholder, to send to the shareholder, without delay, a copy of minutes or a part thereof together with schedules to the minutes to an address provided by the shareholder or otherwise as agreed with the shareholder; otherwise it shall be obliged to provide the same at the registered address of the Company.

## Article XV

### Decision-making of the General Meeting

1. The General Meeting shall decide by a vote held at the invitation of the chairman of the General Meeting. If more than one proposal was submitted, the chairman of the General Meeting shall decide on the order in which the proposals shall be put to the vote. Voting shall take place by way of the submission or raising of ballot papers. The results of the vote shall be announced by the scrutinizers to the chairman of the General Meeting and to the minute taker.
2. The number of shares of a shareholder shall be governed by the nominal value of his shares. One vote shall be attached to each EUR 33,19 (in words: Thirty-three Euros and Nineteen Cents).
3. The General Meeting shall adopt its decisions by a two-thirds majority of votes of all shareholders.
4. A decision of the General Meeting on a change of rights attached to certain types of shares shall also require the consent of a two-thirds majority of the votes of shareholders holding such shares. Therefore a proposal for a change of rights shall first be voted on by shareholders holding such shares, and only then by the General Meeting of all shareholders.
5. Decisions of the General Meeting shall be adopted in the form of resolutions of the General Meeting the full wording of which shall be included in the minutes of the General Meeting.

## Managing Board of Directors

### Article XVI

#### Powers of the Managing Board of Directors

1. The Managing Board of Directors is the statutory body of the Company. It shall be entitled to act on behalf of the Company and it shall represent the Company in respect of third parties. The Managing Board of Directors shall manage the activities of the Company and decide on all matters of the Company unless these are reserved for the powers of other bodies of the Company by legal regulations or these Articles of Association.
2. The Managing Board of Directors shall, in particular:
  - a) carry out the business management of the Company and procure all its operational and organizational matters;
  - b) exercise employer's rights and obligations;
  - c) convene General Meetings;
  - d) prepare the Strategic plan of the Company and submit the same to the Company's Supervisory Board for its approval;
  - e) implement resolutions of the General Meeting;
  - f) procure the maintenance of prescribed accounts and other records, business books and other documents of the Company;
  - g) submit to the General Meeting for its approval:
    - proposals for amendments to the Articles of Association;
    - proposals for increases in and reductions of the registered capital and issue of bonds;
    - regular, extraordinary and consolidated annual financial statements, proposals for the distribution of generated profit, including the amount and method of payment of royalties ("tantiémy"), and a proposal for the covering of losses should losses be reported;
    - proposal for the winding up of the Company or a change of its legal form;

- proposals for remuneration for the members of the Managing Board of Directors;
  - proposals for decisions concerning Západoslovenská distribučná and ZSE Energia matters in case of which a decision thereon by the General Meeting of Západoslovenská distribučná or by the General Meeting of ZSE Energia requires under applicable provisions of valid Articles of Association of the Company prior consent of the Company's General Meeting;
- h) submit to the Supervisory Board for its consideration proposals referred to in Clause 7 of Article XX of the Articles of Association;
  - i) submit proposals referred to in Clause 8 of Article XX of the Articles of Association to the Supervisory Board;
  - j) submit to the General Meeting:
    - together with a regular financial statement, a report on the business activities of the Company and the status of the Company's assets for the previous year;
    - information on the business plan and financial budget for the current year following the incorporation of comments of the Supervisory Board.

When submitting such materials, the Managing Board of Directors shall be obliged to ensure that trade secrets are respected and to prevent the leakage of information and facts the disclosure of which might cause damage to the Company.

### Article XVII

#### Organization of the Managing Board of Directors

1. The Company's Managing Board of Directors shall have five (5) members.
2. Members of the Managing Board of Directors shall be elected and removed by the General Meeting. The General Meeting shall be entitled to remove a member of the Managing Board of Directors at any time. The performance of duties of a member of the Managing Board of Directors shall start on the day of his/her election by the General Meeting and shall not terminate until the successful election of a new member of the Managing Board of Directors to replace the existing member.
3. The term of office of members of the Managing Board of Directors shall be four (4) years. Re-election shall be possible.
4. A member of the Managing Board of Directors may resign. However, he shall be obliged to notify the Managing Board of Directors and the Supervisory Board of such fact in writing.
5. A chairman or vice-chairman of the Managing Board of Directors shall be elected by the General Meeting always at the meeting, in which it shall elect a new member of the Managing Board of Directors to replace a former member of the Managing Board of Directors, who has held the position of the chairman or vice-chairman of the Managing Board of Directors and this day shall be the day of the commencement of the position of the new chairman or vice-chairman of the Managing Board of Directors and at the same time the day of a termination of the position of the current chairman or vice-chairman of the Managing Board of Directors.
6. If the number of members of the Managing Board of Directors has not fallen below one half, the Managing Board of Directors shall be entitled to appoint substitute members until the next General Meeting of the Company.
7. As at the date of their election, members of the Managing Board of Directors shall be entitled to regular monthly remuneration approved by the General Meeting. As at the date of the termination of performance of duties of a member of the Managing Board of Directors, the right to such remuneration shall extinguish. Members of the Managing Board of Directors shall be entitled to a share in the profit provided that the General Meeting so decides when distributing net profits. Other financial claims of members of the Managing Board of Directors related to the performance of their duties which are not determined by these Articles of Association or set out by Law shall not be permissible.
8. Members of the Managing Board of Directors may not delegate their duties.
9. Member of the Company's Board of Directors may not be a member of the Západoslovenská distribučná Board of Directors.

### Article XVIII

#### Meetings of the Managing Board of Directors

1. Meetings of the Managing Board of Directors shall be convened and chaired by the chairman, or if he is absent or unavailable, by the vice-chairman as required, however, at least once a month.
2. Meetings of the Managing Board of Directors shall be convened by way of a written notice sent to each member of the Managing Board of Directors to an address provided thereby or to the registered address of the Company. The notice shall include the date, time, venue and agenda of the meeting. The notice shall also be sent to the chairman

- and the vice-chairman of the Supervisory Board.
3. A meeting of the Managing Board of Directors shall have a quorum if simple majority of its members are present.
  4. The Managing Board of Directors shall adopt decisions at its meetings by simple majority of votes of members present. Neither the chairman nor the vice-chairman of the Managing Board of Directors shall have a casting vote in the event of equality of votes for or against a decision.
  5. Members of the Managing Board of Directors may participate in a meeting of the Managing Board of Directors through any form of communication which allows all persons participating to hear each other. The members of the Managing Board of Directors may cast their votes using such form of communication or by written declaration if they are not physically present at the place where the highest number of members are assembled, which place shall be the place of the meeting.
  6. Regardless of any provision of Articles of Association, E.ON Slovensko, a.s. shall be obliged to exercise all its rights to ensure that the Managing Board of Directors will not adopt any resolution, if no member nominated by the Ministry is present in the respective meeting. If no member nominated by the Ministry is present in two consecutive, regularly convened meetings of the Managing Board of Directors, the first sentence of this Clause shall not apply to the second of these meetings.
  7. In addition to meetings of the Board of Directors, a decision of the Board of Directors may also be taken through written statements of the members of the Board of Directors outside a meeting of the Board of Directors („**decision per rollam**“). A draft of the resolution shall be submitted to the members of the Board of Directors by the Chairman, or if he is long-term absent by Vice-Chairman of the Board of Directors together with a deadline, by which they should deliver their written statements to the address of the registered office of the Company. If any member of the Board of Directors fails to give his/her statement by the term above, he/she shall be deemed to have disapproved the proposed resolution. The Chairman, or if he is long-term absent, the Vice-Chairman of the Board of Directors shall subsequently disclose the results of the voting to the individual members of the Board of Directors. The majority shall be counted with reference to the aggregate number of votes of all the members of the Board of Directors.
  8. Cable, telex and fax statements and emails, following their telephone verification and written confirmation provided without undue delay, shall also be considered a written form for the purposes referred to in Clauses 2, 5 and 7 of this Article.
  9. Minutes shall be taken at the meetings of the Board of Directors, which must contain all the fundamental proceedings of the meeting, including the votes cast and an accurate text of all the decisions that were taken. The minutes must be delivered to the Chairman and Vice-Chairman of the Supervisory Board. The minutes must contain also all the decisions taken by written statements undersigned by all the members of the Board of Directors as provided in Clause 5 above. Minutes taken at the meetings of the Board of Directors must be kept on file by the Company. Upon request of any member, the Board of Directors shall be obliged to make available a copy of the minutes taken at any meeting of the Board of Directors. The minutes shall include also all the resolutions passed by the members of the Board of Directors per rollam in between the individual meetings of the Board of Directors.
  10. The costs related to the activities of the Managing Board of Directors shall be borne by the Company.
  11. Details concerning the activities of the Managing Board of Directors shall be governed by the statutes of the Managing Board of Directors to be approved by the Company's Supervisory Board.
2. The Supervisory Board shall convene an extraordinary General Meeting if:
    - a) it establishes a serious breach of obligations by a member or members of the Managing Board of Directors;
    - b) it establishes serious defects in the financial management of the Company;
    - c) the interests of the Company so require.
  3. Article XIII(5) shall apply accordingly to the convening of an extraordinary General Meeting pursuant to Clause 2 of this Article. A notice of the General Meeting shall also be sent by the Supervisory Board to each member of the Managing Board of Directors to an address provided thereby or to the registered address of the Company at least 30 days prior to the date of the General Meeting.
  4. The Supervisory Board shall verify procedures applied to the Company's matters and any member thereof shall be entitled to inspect, at any time, accounting documents, files and records concerning the Company's activities and to establish the position of the Company. While doing so, the Supervisory Board shall review and submit to the General Meetings its conclusions and recommendations concerning, in particular:
    - a) the discharge of tasks set out by the General Meeting for the Managing Board of Directors;
    - b) compliance of the Company's activities with the Company's Articles of Association and with legal regulations;
    - c) economic and financial activities of the Company, accounting, documents, accounts and the status of the Company's assets, liabilities and receivables.
  5. Members of the Supervisory Board shall be entitled to demand information and explanations from members of the Managing Board of Directors at any time.
  6. The Supervisory Board shall be obliged to review the regular, extraordinary and consolidated financial statements and proposals for the distribution of profit or, as the case may be, covering of losses, and to submit its opinion to the General Meeting and the Managing Board of Directors of the Company.
  7. The Supervisory Board shall consider the following and present its views to the Managing Board of Directors and the General Meeting:
    - a) any proposals of the Managing Board of Directors for the winding up of the Company or a change of its legal form;
    - b) any proposals of the Managing Board of Directors for the appointment of the Company's liquidator;
    - c) any proposals of the Managing Board of Directors for the sale of the Company's business or a part thereof;
    - d) any proposals of the Managing Board of Directors for amendments to the Articles of Association;
    - e) any proposals of the Managing Board of Directors for an increase in or reduction of the registered capital and issue of convertible or priority bonds.
  8. The Supervisory Board shall submit to the General Meeting for approval a proposal for the remuneration of the Supervisory Board members.
  9. The Supervisory Board shall approve, on the basis of a proposal of the Managing Board of Directors:
    - a) the statutes of the Managing Board of Directors;
    - b) procedures to provide material advantages to members of the Managing Board of Directors or their families or individuals with whom they entered into business contracts and which are registered by the Company;
    - c) the Strategic Plan of the Company and changes therein;
    - d) any proposal for the implementation of an investment or transaction, or series of related investments or transactions, or the execution, of any document, or series of related documents, under which the expenditure by the Company, or income to the Company is, or is likely to be, at variance to that provided for in the strategic plan in respect of the relevant investment, transaction, or document, or series thereof, by an amount of more than five (5) million EUR;
    - e) any proposal for the entering into of a pledge, guarantee, indemnity, mortgage or security instrument, if the contingent liabilities arising there under could exceed the amount specifically provided for such contingent liabilities in the strategic plan by more than five (5) million EUR;
    - f) any proposal for the issue of any promissory note or bill of exchange if the nominal value of the promissory note or bill of exchange, when added to the nominal value of promissory notes and bills of exchange already issued as part of the same transaction, or as part of a series of related transactions, is more than five (5) million EUR more than that specifically provided for such promissory note or bill of exchange in the strategic plan;
    - g) any proposal to substantially reorganize or change the nature or scope of the business

## Article XIX

### Acting on Behalf of the Company

The Managing Board of Directors shall act and sign on behalf of the Company, always through at least two members of the Managing Board of Directors acting jointly. Signing on behalf of the Company shall be carried out by the signatory attaching their signature to the printed or written business name of the Company and their name, surname and position.

## Supervisory Board

## Article XX

### Powers of the Supervisory Board

1. The Supervisory Board is the supreme supervisory body of the Company. It supervises the exercise of powers of the Managing Board of Directors and the business activities of the Company.

of the Company;

- h) any proposed submission to a court of an application to declare bankruptcy over the Company;
  - i) any proposed submission to a court by the Company of an application for permission of restructuring (“**povolenie reštrukturalizácie**”);
  - j) the formation of a business company, which shall be, at the incorporation thereof, the Subsidiary, except of business companies formed by Západoslovenská distribučná and ZSE Energia;
  - k) the acquisition or disposal of shares of the Company in Subsidiary or the acquisition of shares in an entity which would, on acquisition, become a Subsidiary of the Company; this provision does not apply to shares in Západoslovenská distribučná and ZSE Energia and to shares in Subsidiaries of Západoslovenská distribučná and ZSE Energia.
- If the Supervisory Board disapproves proposals of the Managing Board of Directors within the meaning of this Clause, the Managing Board of Directors shall be entitled to ask the General Meeting to approve such proposals.
10. The Supervisory Board shall determine an auditor for the audit of the financial statements and the annual report.

## Article XXI

### Organization of the Supervisory Board

1. The Supervisory Board shall have nine (9) members.
2. Two thirds of members of the Supervisory Board shall be elected and discharged by the Company's General Meeting and one third by the Company's employees. The term of office of members of the Supervisory Board shall be three (3) years, while the performance of duties of a member of the Supervisory Board to be elected by the General Meeting shall start on the day of his/her election by the General Meeting and the performance of duties of a member of the Supervisory Board to be elected by the employees shall start on the day following the signature of the minutes of the course and the outcome of such election.
  - 2A If the term of office of a member of the Supervisory Board expires, the performance of duties of a member of the Supervisory Board shall not terminate until a new member of the Supervisory Board is elected to take his position. This shall not apply if a member of the Supervisory Board was discharged or resigned or died/ was declared dead.
  - 2B Re-election shall be possible. The term of office of each Member of the Supervisory Board shall be stipulated individually. To avoid any doubts as to the content of Clause 2A of this Section, if the situation described in the last sentence of Clause 2A does not occur: (i) performance of duties of a member of the Supervisory Board to be elected by General Meeting shall terminate on the day when the General Meeting is held, during which a new member of the Supervisory Board is elected by General Meeting to take his position; and (ii) performance of duties of a member of the Supervisory Board to be elected by employees shall terminate on the day of signature of the minutes of the course and the outcome of the election which was held among the Company's employees. Provisions of Clauses 4 and 6 of this Article shall not be affected by the provisions 2, 2A and 2B.
3. The chairman and vice-chairman of the Supervisory Board shall be elected and removed by members of the Supervisory Board while the individual concerned shall also vote. The performance of duties of the chairman and vice-chairman of the Supervisory Board shall start on the day of his/her election and shall terminate by his/her removal by the Supervisory Board. Neither the chairman nor the vice-chairman shall have a casting vote in the event of equality of votes for or against a decision.
4. If the number of members of the Supervisory Board elected by the General Meeting or by the Company's employees has not fallen below one half, the Supervisory Board shall be entitled to appoint substitute members until the next General Meeting of the Company or the next election of members of the Supervisory Board by the Company's employees.
5. Members of the Supervisory Board may not delegate their duties.
6. Members of the Supervisory Board may resign. However, they shall be obliged to notify in writing the Supervisory Board thereof.
7. A member of the Supervisory Board may not:
  - a) enter, in his own name or on his own account, into business transactions related to the business activities of the Company;
  - b) mediate the Company's transactions for other parties;
  - c) take part in the business activities of another company as a member with unlimited liability;

- d) carry out the activities of a statutory body or a member of a statutory body of another legal entity with similar objects unless the Company is involved in the business activities of such a commercial company.

## Article XXII

### Meetings of the Supervisory Board

1. Meetings of the Supervisory Board shall be convened and chaired by the chairman of the Supervisory Board, or if he is absent or unavailable, by the vice-chairman as required, however, at least four times in each accounting period.
2. Shareholder/shareholders the aggregate value of whose shares equals at least 5% of the Company's registered capital may request that a meeting of the Supervisory Board be convened. A written request of a meeting of the Supervisory Board shall include the agenda to be discussed by the Supervisory Board. The chairman of the Supervisory Board shall convene the meeting no later than 20 days after the date of delivery of the written request of shareholders to the Company's registered address.
3. Meetings of the Supervisory Board shall be convened by way of a written notice sent to each member of the Supervisory Board to an address provided thereby or to the registered address of the Company, at least 15 Business Days before each meeting. The notice shall include the date, time, venue and agenda of the meeting.
4. A meeting of the Supervisory Board shall have a quorum if a simple majority of its members are present.
5. The Supervisory Board shall adopt decisions at its meetings by a simple majority of votes of all its members.
6. Members of the Supervisory Board may participate in a meeting of the Supervisory Board through any form of communication which allows all persons participating to hear each other. The members of the Supervisory Board may cast their votes using such form of communication or by written declaration if they are not physically present at the place where the highest number of members are assembled, which place shall be the place of the meeting.
7. Regardless of any provision of Articles of Association, state parties shall be obliged to exercise all their rights to ensure that the Supervisory Board will not adopt any resolution, if a member nominated by E.ON Slovensko, a.s. is absent from the respective meeting. If a member of the Supervisory Board nominated by E.ON Slovensko, a.s. is absent from two consecutive, regularly convened meetings of the Supervisory Board, the first sentence of this Clause shall not apply to the second of these meetings.
8. In addition to meetings of the Supervisory Board, a decision of the Supervisory Board may also be taken through written statements of the members of the Supervisory Board outside a meeting of the Supervisory Board („**decision per rollam**”). A draft of the resolution shall be submitted to the members of the Supervisory Board by the Chairman or if he is long-term absent by Vice-Chairman of the Supervisory Board together with a deadline, by which they should deliver their written statements to the address of the registered office of the Company. If any member of the Supervisory Board fails to give his/her statement by the term above, he/she shall be deemed to have disapproved the proposed resolution. The Chairman, or if he is long-term absent, the Vice-Chairman of the Board of Directors shall subsequently disclose the results of the voting to the individual members of the Supervisory Board. The majority shall be counted with reference to the aggregate number of votes of all the members of the Supervisory Board.
9. Cable, telex and fax statements and emails, following their telephone verification and written confirmation provided without undue delay, shall also be considered a written form for the purposes referred to in Clauses 3, 6 and 8 of this Article.
10. Minutes of meetings of the Supervisory Board shall be taken, which minutes shall include all crucial facts concerning the meeting, including voting results and the precise wording of all decisions. The minutes shall also include all decisions adopted by way of written declarations of each member of the Supervisory Board referred to in Clause 6 of this Article. The minutes shall be sent to all members of the Supervisory Board within five Business Days after the meeting. The Company shall be obliged to archive minutes of meetings of the Supervisory Board. At the request of its member, the Supervisory Board shall be obliged to provide such a member with a copy of the minutes of any meeting of the Supervisory Board.
11. The costs related to the activities of the Supervisory Board shall be borne by the Company.
12. Details concerning the activities of the Supervisory Board shall be governed by the rules of procedure of the Supervisory Board to be approved by the General Meeting of the Company.



## Audit Committee

### Article XXIII

#### Powers of the Audit Committee

1. The Audit Committee is a Company body in charge of the following activities, without limitation (the responsibilities of the Board of Directors or Supervisory Board members remain unaffected):
  - a) monitors how financial statements (individual and consolidated) statements are drafted and compliance with specific laws,
  - b) evaluates efficiency of the Company's internal security and risk management systems,
  - c) monitors the process of the mandatory audit of individual financial statements and consolidated financial statements,
  - d) reviews and monitors the independence of the auditor and in particular the provision of additional services by auditor according with specific law,
  - e) recommends an auditor for approval to perform the audit of the Company,
  - f) determines for auditor the term for submission of the independence honour proclamation.
2. The auditor shall report to the Audit committee on key matters arising from the statutory audit, and in particular on material weaknesses in internal control in relation to the process of assembly of the individual financial statements or consolidated financial statements.
3. Members of the Audit Committee shall be obliged to perform their activities with due professional care and maintain confidentiality of all facts and information which they learnt during performance of their office and whose disclosure could cause the Company any harm. The confidentiality obligation under this Clause shall persist even after end of the term of office of a member of the Audit Committee.
4. The Audit Committee shall be obliged to inform the General Meeting of results of its activity in form of an activity report at least once a calendar year. Members of the Audit Committee may participate in sessions of the General Meeting of the Company.

### Article XXIV

#### Organization and meetings of the Audit Committee

1. The Company's Audit Committee shall have three (3) members. Members of the Audit Committee shall be elected and removed by the General Meeting based on proposal of the Company's Board of Directors or shareholders. At least one member of the Audit Committee must have at least 5 years of professional experience in accounting or auditing and must be independent of the Company according to a separate regulation applying to Audit Committee. Each member of the Audit Committee shall discharge his/her office personally.
2. The Chairman and Vice-Chairman of the Audit Committee shall be appointed and removed by the Audit Committee, while also the candidate shall vote. The performance of duties of the Chairman and the Vice-Chairman of the Audit Committee shall start on the day of his/her election and shall terminate on the day of his/her removal by the Audit Committee. Unless the number of the members of the Audit Committee drops below one half, the Audit Committee shall be allowed to co-opt substitute member until the next General Meeting of the Company.
3. The term of office of members of the Audit Committee shall be four (4) years. Re-election shall be possible. The General Meeting shall be entitled to remove a member of the Audit Committee at any time. The performance of duties of a member of the Audit Committee shall start on the day of his/her election by the General Meeting and shall not terminate until the successful election of a new member of the Audit Committee to replace the existing member, unless the General Meeting decides otherwise. Any member of the Audit Committee is free to resign to his/her office. The resignation of any member of the Audit Committee shall be effective since the date of the first General Meeting of the Company following the receipt of the resignation notice. If such member of the Audit Committee resigns to his/her office directly at the General Meeting, the resignation shall have immediate effects. If no General Meeting takes place within 3 (three) months after the receipt of the resignation notice, such member's resignation shall be effective on the first day following the expiration of the term.
4. Meetings of the Audit Committee are held as necessary, but at least one time every twelve months. The Audit Committee may, at its own discretion, also invite members of other Company's bodies, Company's employees, or other persons to its meetings. Members of the Company's bodies and Company's employees are required to appear at the meeting of the Audit Committee. Meetings of the Audit Committee shall be convened and chaired by its Chairman, or if he is absent, by the Vice-Chairman of the Audit Committee. In addition to meetings of the Audit Committee, a decision of the Audit Committee may also be taken

through written statements of the members of the Audit Committee outside a meeting of the Audit Committee („**decision per rollam**“). A draft of the resolution shall be submitted to the members of the Audit Committee by the Chairman or if he is long-term absent by Vice-Chairman of the Audit Committee together with a deadline, by which they should deliver their written statements to the address of the registered office of the Company. If any member of the Audit Committee fails to give his/her statement by the term above, he/she shall be deemed to have disapproved the proposed resolution. The Chairman, or if he is long-term absent, the Vice-Chairman of the Audit Committee shall subsequently disclose the results of the voting to the individual members of the Audit Committee. The majority shall be counted with reference to the aggregate number of votes of all the members of the Audit Committee. Cable, telex and fax statements and emails, following their written confirmation provided without undue delay, shall also be considered a written form for the purposes of this Clause. The minutes from the first meeting of the Audit Committee following per rollam decision shall include also the resolutions passed by the members of the Audit Committee per rollam.

5. Minutes shall be taken at the meeting of the Audit Committee and its decisions. The minutes shall be signed by all members of the Audit Committee present at the meeting.
6. The Audit Committee decides by a simple majority of votes of all its members. The Audit Committee shall constitute quorum if its meeting is attended by a simple majority of all its members. Each Audit Committee member has one vote.
7. The expenses associated with the activities of the Audit Committee shall be borne by the Company. Details pertinent to the activities of the Audit Committee shall be regulated by the rules of procedure of the Audit Committee to be approved by the General Meeting of the Company.

## PART VI: FINANCIAL MANAGEMENT OF THE COMPANY

### Article XXV

#### Accounting Period

The accounting period of the Company shall be the calendar year commencing on the 1st January and ending on the 31st December.

### Article XXVI

#### Financial Statements

1. The Company shall maintain accounts in the prescribed manner and in accordance with legal regulations. The Managing Board of Directors shall be responsible for the due maintenance of accounts and shall procure the audit of the financial statements for the relevant year by an auditor determined by the Supervisory Board. The main details of the financial statements shall be published at least 30 days prior to the date of the General Meeting whose agenda includes the approval of the financial statements.
2. The Company shall create a system of information prescribed by legal regulations and provide details concerning its activities to authorities specified by such regulations.
3. The Company shall be obliged to publish the main details of the audited financial statements pursuant to legal regulations following their approval by the General Meeting.
4. The audited financial statements together with the auditor's report shall be kept in the collection of deeds of the Commercial Register.

### Article XXVII

#### Creation and Use of the Reserve Fund

1. The reserve fund of the Company shall be used to cover losses of the Company unless provided otherwise by a separate act.
2. By the time of its incorporation, the Company had created a reserve fund in the amount of SKK 1,414,841,000 (in words: one billion four hundred and fourteen million eight hundred and forty-one thousand Slovak Crowns). It shall be obliged to assign to the reserve fund, on an annual basis, at least 10% of the net profit reported in the regular financial statement until 20% of the amount of the registered capital is reached.
3. Any further contributions to the reserve fund above this limit or the use of the fund shall be decided on by the Company's Managing Board of Directors.

### Article XXVIII

#### Distribution of Profit

1. The Company shall use its profit, on a priority basis, to pay taxes.
2. Profit after tax shall be used, on a priority basis, to pay the mandatory contribution to the reserve fund.
3. Any further distribution of profit shall be decided on by the General Meeting with regard

to the sufficient creation of reserves and with regard to the planned business development of the Company.

4. If the Company reported net profit after tax and the mandatory contribution to the reserve fund, the General Meeting shall decide, in particular, on:
  - a) the amount of contributions to other funds of the Company if created;
  - b) the amount of royalties ("tantiém") for members of the Company's bodies expressed as a percentage share in the net profit;
  - c) the amount of the net profit to be distributed among shareholders, while the dividend shall be expressed as a percentage of the nominal value of shares.

#### Article XXIX

##### Creation of Other Funds

1. The Company may create, in accordance with legal regulations and internal rules approved by the Managing Board of Directors, other funds and contribute to the same, from its net profit, a sum the final amount of which shall be subject to the approval of the distribution of profit by the General Meeting.
2. The method of use of such funds shall be determined by internal rules set out by the Company's Managing Board of Directors.

### PART VII: WINDING UP AND CESSATION OF THE COMPANY

#### Article XXX

##### Winding up and Cessation of the Company

1. The winding up of the Company shall be decided on by the General Meeting. The winding up of the Company may be carried out by way of liquidation or without liquidation.
2. If the Company is wound up by way of liquidation, the General Meeting shall appoint, on the basis of a proposal of the Managing Board of Directors, the liquidator and determine the amount of his fee.
3. The Company shall cease to exist on the date of its deletion from the Commercial Register.
4. All other issues related to the winding - up and cessation of the Company shall be governed by the provisions of the Commercial Code and separate acts.

### PART VIII: GENERAL AND FINAL PROVISIONS

#### Article XXXI

##### Amendments to the Articles of Association

1. The General Meeting shall decide on amendments to the Articles of Association by a two-thirds majority of the votes of all shareholders.
2. The full wording of the proposed amendments shall be available to shareholders for inspection at the Company's registered address upon the commencement of the notice period required for the convening of the General Meeting pursuant to Article XIII(5) of the Articles of Association. The Managing Board of Directors shall be obliged to ensure that it is received by each shareholder upon his/its entry in the attendance list of shareholders.
3. The presence of a notary shall be required for the approval of amendments to the Articles of Association, which notary shall prepare a notarial deed on the decision of the General Meeting.
4. If the General Meeting adopts a decision resulting in an amendment to the contents of the Articles of Association, such a decision shall be deemed a decision on an amendment to the Articles of Association if adopted in the manner required for the adoption of decisions on amendments to the Articles of Association pursuant to the Law or these Articles of Association.
5. The Managing Board of Directors shall be obliged to prepare, without undue delay, a full version of the Articles of Association after each amendment to the Articles of Association and shall be responsible for the completeness and accuracy of such a version.

#### Article XXXII

##### Publication of Facts as Determined by Legal Regulations and the Articles of Association

1. Notices intended for the public as set out by legal regulations shall be published in the Business Journal (in Slovak: "Obchodný vestník").
2. Other information intended for the public and the Company's shareholders as set out by these Articles of Association shall be published in one national daily newspaper.

#### Article XXXIII

##### Definitions of Terms

Unless otherwise provided in these Articles of Association, capitalised terms shall have the following meanings:

**Subsidiary** shall mean any legal person Controlled by the Company.

**EBRD** means European Bank for Reconstruction and Development, an international financial institution with its seat at One Exchange Square, London EC2A 2JN, United Kingdom

**E.ON Energie AG** means E.ON Energie AG, a joint-stock company established and existing under the laws of Germany, with its seat at Arnulfstrasse 203, 806 34 Munich, Germany, registered with the Commercial Registry of the Municipal Court in Munich, HRB 132000

**Euro/EUR** shall mean the official currency of member states participating in the Third Phase of the European Economic and Monetary Union under the Treaty establishing the European Community, as amended.

**NPF** means a legal entity established pursuant to Act No 253/1991 Coll., with its registered office at Drieňová 27, 821 01 Bratislava, ICO: 17 333 768

**Option Price Increase Rate** means a rate of increase calculated as follows:

$$\frac{(A+1\%) \times B}{360}$$

where

A= the average daily twelve months Euro Libor rate quoted by the British Bankers' Association in the period commencing on the date of adoption of these Articles of Association and ending on the date of the Transfer Notice (which average shall be calculated by aggregating such rates quoted in such period and dividing them by the number of days on which the British Bankers' Association quoted such rates).

B= the number of days in such period.

**Commercial Code** shall mean the Act No 513/1991 Coll., as amended.

**Option Price** means a price per share equal to the Purchase Price, as defined in, and adjusted pursuant to the Share Purchase Agreement, between the National Property Fund of the Slovak Republic, the Ministry of Economy of the Slovak Republic and E.ON Energie AG, dated 13 June 2002, divided by 2,907,951, increased by the Option Price Increase Rate, such price to be determined, in the absence of agreement between the relevant shareholders, by the Determining Person.

**Control** shall mean, as applied to any person, the possession, directly or indirectly, of the power to direct or cause the direction of the management of that person, whether through ownership of shares, voting securities, partnership or other ownership interests, agreement or otherwise; if one person owns, directly or indirectly, 50% or more of the share capital, voting securities, partnership or other ownership interests of another person, that person shall be deemed to Control that other person.

**Business Day** shall mean any day except for Saturdays, Sundays, and the official holidays and non-working days in the Slovak Republic.

**Decisive Person** means an internationally reputable company of accountants, management consultants, auditors, or investment bankers approved by a resolution of the General Meeting, or in default of such approval within 14 days upon filing a notice of a certain shareholder to other shareholders and calling upon other shareholders to approve such resolution, person, chosen on the application of certain shareholder, by the President of the Institute of Chartered Accountants in England and Wales.

**SKK** means the Slovak Crown, the official currency in the Slovak Republic.

**EON Group** means E.ON Energie AG and EBRD a their associate entities; for purposes of this definition, an "associate entity" means with respect to any person, any other person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, the person first mentioned.

**Company** means Západoslovenská energetika, a.s., a joint-stock company, incorporated and existing under the laws of the Slovak Republic, with its seat at Čulenova 6, 816 47 Bratislava, IČO: 35 823 551, Slovak Republic, registered with the Commercial Registry of the District Court Bratislava I, Section: Sa, Insert No: 2852/B.

**Strategic Plan** means the plan for the development of the business of the Company and/or any Subsidiary in the forthcoming financial years, which shall include:

- i) a projected balance sheet and profit and loss statement;
- ii) an estimation of working capital requirements;
- iii) a capital expenditure plan setting out planned expenditure on major items or projects, with supporting details;
- iv) a projected cash flow statement;
- v) a report on the Company's, or relevant Subsidiary's, performance during the financial year in which the Strategic Plan is drafted; and
- vi) other matters considered by the Managing Board of Directors to be necessary.

**Market Price** shall mean, in respect of one share, such sum as the Determining Person at the relevant time certifies to be, in its opinion (acting as an expert and not as an arbitrator) the value of all the shares of the Company in existence at the relevant time, as determined on the basis of generally accepted cash-flow based valuation principles, e.g. the discounted cash flow method or the capitalized value of return-method, divided by the number of shares of the Company in existence at the relevant time.

**Západoslovenská distribučná** shall mean Západoslovenská distribučná, a.s., a joint-stock company, incorporated and existing under the laws of the Slovak Republic, with its seat at Čulenova 6, 816 47 Bratislava, BIN: 36 361 518, registered with the

Commercial Registry of the District Court Bratislava I, Section: Sa, Insert No: 3879/B established as a wholly-owned Subsidiary of the Company, the core business activity of which is the electricity distribution.

**ZSE Energia** shall mean ZSE Energia, a.s., a joint-stock company, incorporated and existing under the laws of the Slovak Republic, with its seat at Čulenova 6, 816 47 Bratislava, BIN: 36 677 281, registered with the Commercial Registry of the District Court Bratislava I, Section: Sa, Insert No: 3978/B.

**Public Institution** means the Government of the Slovak Republic, and the ministries and administrative bodies of the Slovak Republic.

#### **Article XXXIV**

##### **Final Provisions**

1. Should any provisions of these Articles of Association become invalid or disputable, a provision of a legal regulation whose nature and purpose is the closest to the provisions of these Article of Association shall apply. If no provision of a legal regulation can be applied, the common business practice of the relevant trade shall be followed.
2. The procedure pursuant to Clause 1 shall also apply to any relations which are not provided for in these Articles of Association.
3. These Articles of Association shall become valid and effective on the date of their approval by the founder.

Approved at Bratislava, on 12 August, 2016

Jochen Kley  
Chairman of the Board of Directors  
Západoslovenská energetika, a.s.

Mgr. Juraj Krajčár  
Member of the Board of Directors  
Západoslovenská energetika, a.s.

