

ARTICLES OF ASSOCIATION
of the Polish Association of Heat Energy

Chapter 1

GENERAL PROVISIONS

§ 1

1. "POLSKIE TOWARZYSTWO ENERGETYKI CIEPLNEJ" hereinafter referred to as the "ASSOCIATION" or "PTEC" is an association within the meaning of the Act of April 7, 1989 "LAW ON ASSOCIATIONS" (consolidated text of May 31, 2001 (Journal of Laws No. 79, item 855), as amended) and has legal personality.
2. Polskie Towarzystwo Energetyki Ciepłej may use its English version of the name: "Polish Association of Heat Energy."
3. The name in English can be used in international activities, publications and correspondence with foreign partners.
4. The use of the English version of the name does not affect the legal identity of the Association, the basis of which remains its name in Polish.
5. In the case of interpretation differences between the Polish and English versions, the Polish version shall prevail.

§ 2

The Association is registered in the National Court Register, KRS No.: 0000064111.

§ 3

1. The area of activity of the Association is the area of the Republic of Poland, and the registered office is located in Warsaw.
2. To achieve its statutory objectives, the Association may operate in other countries.

§ 4

1. The Association may be a member of national and international associations and organizations with the same or similar scope of activity, if this does not violate the obligations under international agreements to which Poland is a party.
2. The Association may establish companies, foundations, acquire and dispose of shares in companies.

Chapter 2

OBJECTIVES AND MEANS OF ACTION

§ 5

1. The purpose of the Association is to work for the transformation of district heating systems and to strengthen their cooperation with other branches of the energy sector, including,

in particular, the initiation of regulatory, technological and market changes that go beyond the individual interests of the Association's members, taking into account the interests of society at large and environmental protection.

2. As part of its statutory activities, the Association may also represent the collective interests of its members before public authorities.

§ 6

Implementation of the Association's objectives is carried out through:

1. Representing the interests of members in connection with the objectives referred to in § 6 section 1 of the Articles of Association.
2. Expressing opinions and submitting initiatives to state administrative bodies and European Union administrative bodies on issues relating to the operation of energy companies.
3. Undertaking activities for the development and optimum use of technologies for the generation, transmission and distribution, and trading of heat and electricity generation.
4. Initiating, promoting and utilizing technological advances and energy efficiency in the generation, transmission and distribution, and trading of heat and electricity generation.
5. Performing analyses and studies related to the generation, transmission and distribution, and trading of heat and electricity generation.
6. Analyzing the directions of energy sector transformation and identifying sources of financing for them.
7. Promoting awareness of energy sector transformation.
8. Promoting regulatory, legislative and market solutions that foster the transformation of the district heating sector and its cooperation with other branches of the energy sector.
9. Building a dialog between the Association's members and the business and regulatory environment at the national and EU levels on energy sector issues.
10. Organizing and conducting training, courses, examinations, granting professional licenses.
11. Organizing: conventions, conferences, seminars, symposia.

Chapter 3

MEMBERS, THEIR RIGHTS AND OBLIGATIONS

§ 7

Members of the Association are divided into:

- a) ordinary,
- b) supporting,
- c) honorary.

§ 8

1. An ordinary member of the Association may be a natural person who is a member of the management:

a) of a company (enterprise) or

b) of a company belonging to a group of interrelated entities or a separate organizational unit of such entities,

whose activities are related to the electricity and heat production or heat generation, and who have the recommendation of two Association members with at least two years of membership in the Association, subject to section 3 below. In the case of a natural person who is a member of the management of a company or a separate organizational unit belonging to a group of capital-related entities whose activities are related to the electricity and heat production or heat generation, it is not required that the company or separate organizational unit to whose management the natural person belongs is engaged in activities related to the electricity and heat production or heat generation, as long as it remains in a group of capital-related entities whose activities are related to the electricity and heat production or heat generation.

2. The term members of the management of a company (enterprise or separate organizational unit) is understood to mean persons holding positions or employed as members of the management boards, commercial representatives, directors, deputy directors and other managerial positions, as well as principal specialists and persons employed in other equivalent positions. If the holding of a position or employment in the above-mentioned positions is not apparent from the public register, then a natural person applying for admission as a member of the Association, together with the application for admission as a member of the Association, must submit a statement from the company (enterprise or separate organizational unit) stating that they hold (are employed) in a managerial, chief specialist or equivalent position.

3. A member of the management who does not have Polish citizenship may become an ordinary member of the Association after at least one year of work in Poland in the enterprises and positions specified in sections 1 and 2.

§ 9

An ordinary member has the right to:

- 1) elect and be elected to the authorities of the Association,
- 2) participate in meetings and assemblies of the Association,
- 3) enjoy the benefits of the Association.

§ 10

An ordinary member is obliged to:

- 1) actively participate in the activities of the Association,
- 2) observe the provisions of the Articles of Association, bylaws and resolutions of the Association,
- 3) regularly pay membership fees in the amount determined by the authorities of the Association.

§ 11

1. Admission of an ordinary member of the Association is made by the Management Board on the basis of a written declaration of the candidate, favorably approved in writing by two ordinary members.
2. The decision on the admission of a candidate as an ordinary member shall be made by the Management Board in the form of a resolution within 1 month from the date of delivery to the Association of the candidate's written declaration together with the positive opinions of two ordinary members.
3. If the Management Board adopts a resolution refusing to accept a candidate as an ordinary member, the ordinary member who gave a positive opinion on the candidate's declaration has the right to appeal the Management Board's decision. An appeal may be filed with the Arbitration by Fellow Members within 14 days from the date of delivery to the candidate of the Management Board's resolution refusing to accept the candidate as an ordinary member. The decision of the Arbitration by Fellow Members is final.
4. If the Management Board fails to adopt a resolution within the time limit referred to in § 11 section 2 of the Articles of Association, an ordinary member who gave a positive opinion on the candidate's declaration has the right to complain to the Arbitration by Fellow Members about the Management Board's inaction. The complaint can be submitted to the Arbitration by Fellow Members within 2 months counting from the last day on which the Management Board should have adopted the resolution. The upholding of the complaint of inaction replaces the Management Board's resolution on the admission of the candidate as an ordinary member. The decision of the Arbitration by Fellow Members is final.

§ 12

1. Ordinary membership ceases as a result of:
 - 1) voluntary withdrawal from the Association on the basis of a written declaration,
 - 2) a final decision of the Arbitration by Fellow Members on the exclusion of an ordinary member in connection with flagrant disregard for the provisions of these Articles of Association, bylaws, resolutions and norms of conduct adopted in the Association,
 - 3) cessation of employment in positions or termination of functions specified in § 8 of these Articles of Association,
 - 4) non-payment of dues for a period of 1 year by a supporting member whose ordinary member is a member of the management,
 - 5) liquidation of the Association,
 - 6) death of a member.
2. In the case described in section 1 point 1 above, membership shall cease as of the date on which the ordinary member submits a written declaration of withdrawal from the Association.
3. In the cases described in section 1 point 2, membership shall cease as of the date when the judgment of the Arbitration by Fellow Members ruling on the exclusion of an ordinary member becomes final.

4. In the case described in section 1 points 3 and 4 above, termination of membership shall take place on the date of adoption by the Management Board of a resolution declaring the termination of membership, and in the event of a timely appeal against the Management Board's resolution – on the date of the decision of the Arbitration by Fellow Members upholding the decision of the Management Board. A resolution on termination of membership shall be adopted by the Management Board as soon as it becomes aware of the occurrence of the prerequisites of section 1 points 3 and 4 above. An appeal against the resolution may be filed with the Arbitration by Fellow Members by the ordinary member who is affected by the resolution, within 7 days from its delivery to the given member. The decision of the Arbitration by Fellow Members is final.

5. In the cases described in section 1 points 5 and 6, the termination of membership shall occur on the date of cessation of the legal existence of the Association or on the date of death of an ordinary member, respectively.

§ 13

1. A supporting member may be a legal entity whose activities are related to electricity and heat production or heat generation, and who recognizes the objectives of the Association.

2. Admission of a legal entity as a supporting member is based on a resolution of the Management Board, after submission of a written declaration expressing willingness to join.

§ 14

A supporting member has the right to enjoy the benefits of the Association, as well as to participate in an advisory capacity in the meetings and assemblies of the Association's authorities. A supporting member does not have the right to elect or be elected to the authorities of the Association.

§ 15

1. A supporting member acts in the Association through its authorized representatives.

2. A supporting member is obliged to:

- a) actively participate in the activities of the Association,
- b) observe the provisions of the Articles of Association, bylaws and resolutions of the Association,
- c) regularly pay membership fees in the amount determined by the authorities of the Association.

§ 16

1. Membership of a legal entity – a supporting member ceases as a result of a resolution of the Management Board:

- a) In connection with the change of activities to other than those specified in § 13

section 1 of the Articles of Association or loss of legal personality,

b) Or due to non-payment of dues by a supporting member for a period of 1 year, despite a written reminder.

Membership is terminated as of the date of the Management Board's resolution, and in the event of a timely appeal against the Management Board's resolution – as of the date of the decision of the Arbitration by Fellow Members upholding the Management Board's decision. An appeal against the resolution of the Management Board may be filed with the Arbitration by Fellow Members by the supporting member who is affected by the resolution, within 7 days from its delivery to the given member. The decision of the Arbitration by Fellow Members is final.

2. To the termination of membership of a legal entity – supporting member, § 12 section 1 points 1, 2 and 4, sections 2, 3 and 5 of the Articles of Association shall also apply accordingly.

§ 17

An honorary member may be a natural person with special contributions to the development or transformation of the energy sector.

§ 18

The dignity of honorary member is conferred by the National Meeting of Members at the request of the Management Board by a resolution adopted by at least 2/3 of the votes present at the meeting.

§ 19

1. An honorary member is exempt from paying membership fees.

2. An honorary member has the right to enjoy the benefits of the Association and participate in the meetings and assemblies of the Association's authorities in an advisory capacity. An honorary member does not have the right to elect or be elected to the authorities of the Association.

3. To the termination of honorary membership, § 12 section 1 points 1, 2, 4, 5, sections 2, 3 and 5 of the Articles of Association shall apply accordingly.

Chapter 4

AUTHORITIES OF THE ASSOCIATION AND THEIR POWERS

§ 20

1. The authorities of the Association are:

- 1) National Meeting of Members,
- 2) Management Board,
- 3) Audit Committee.
- 4) Arbitration by Fellow Members.

2. The term of office of the Management Board and the Audit Committee is 3 years and ends on the date of the ordinary National Meeting of Members.
3. All resolutions of the Association's authorities shall be adopted by a simple majority of votes in the presence of at least 1/2 of the total number of persons entitled to vote, if the Articles of Association does not require a qualified majority.
4. The Arbitration by Fellow Members is appointed in the Association for a three-year term.

§ 21

1. The highest authority of the Association is the National Meeting of Members, which may be convened by ordinary or extraordinary procedure.
2. The powers of the National Meeting of Members include:
 - 1) approval of the main directions of the substantive, organizational and financial activities of the Association,
 - 2) evaluation of the work of the Management Board, the Audit Committee and the Arbitration by Fellow Members,
 - 3) granting discharge to the outgoing Management Board at the request of the Audit Committee,
 - 4) election of the President of the Management Board and other members of the Management Board, members of the Audit Committee, members of the Arbitration by Fellow Members, according to the Association's electoral regulations adopted in the form of a resolution by the National Meeting of Members,
 - 5) granting and revoking honorary membership at the request of the Management Board,
 - 6) adoption of the Articles of Association and adoption of resolutions to amend the Articles of Association,
 - 7) consideration of appeals against the decisions of the Arbitration by Fellow Members, except for the decisions of the Arbitration by Fellow Members made as a result of an appeal against a decision of the Management Board,
 - 8) adoption of resolutions on dissolution of the Association and the allocation of its assets,
 - 9) rescinding resolutions of the Management Board at the request of the Audit Committee or at least 20% of ordinary members of the Association,
 - 10) adoption of the amount of membership fees.

§ 22

1. The Ordinary National Meeting of Members is convened by the Management Board once a year.
2. The Extraordinary National Meeting of Members is convened by the Management Board:
 - 1) upon its own initiative,

- 2) at the written request of the Audit Committee, or at least 20% of the members eligible to vote, within one month from the date of the request.
3. The request referred to in section 2 point 2 above must be accompanied by a proposed agenda for the Extraordinary National Meeting of Members.
4. If the Management Board fails to convene an Extraordinary National Meeting of Members in accordance with the procedure referred to in section 2 point 2 above, the Audit Committee or at least 20% of ordinary members, respectively, may convene such a meeting.
5. An Extraordinary National Meeting of Members may be convened independently by any member of the Management Board, if the function of a member of the Management Board is held by fewer than two members.
6. National Meetings of Members may be held on-site or remotely in whole or in part using electronic communication means, such as videoconferencing, teleconferencing or other tools that enable remote communication.
7. The decision on the mode (on-site or remote) of the National Meeting of Members is made by the Management Board.

§ 23

1. Resolutions of the National Meeting of Members shall be adopted on the first date by a simple majority of votes, with the presence of at least 1/2 of the total number of members, and if the National Meeting of Members is convened on the second date, which should be convened within the next 3 days – regardless of the number of participants, with the exception of the matters specified in § 36 section 1 of the Articles of Association.
2. The National Meeting of Members may adopt resolutions only on the matters included in the agenda. No resolution may be passed on matters not on the agenda unless all members of the Association are present and none of those present objects to the resolution.
3. Exercising the right to vote at a remote meeting is done through electronic communication means, such as on-line voting platforms. The vote is cast by selecting the appropriate option in the electronic system during the broadcast, during the time allocated for decision-making.
4. Absent ordinary members may exercise their voting rights at the National Meeting of Members through their proxy. The proxy may be another ordinary member of the Association. The proxy to participate in the National Meeting of Members and exercise voting rights should be granted in writing or in electronic form, and a copy should be submitted to the Chairman of the National Meeting of Members before the beginning of the Meeting. A proxy may represent more than one ordinary member.
5. If there is a technical problem on the part of a participant in the Meeting that prevents them from participating in the Meeting or casting their vote, the participant should immediately inform the Management Board of the problem through available means of communication (e.g. phone, e-mail). The Management Board shall, as far as possible, take appropriate measures to enable a participant to participate in the Meeting or to cast their vote again, as long as this does

not disrupt the Meeting. In the event of a technical problem, the inability to cast a vote due to technical reasons on the part of the participant shall not affect the validity of the resolutions adopted at the Meeting.

§ 24

The National Meeting of Members is attended by ordinary members of the Association with voting rights, and by other members and invited guests in an advisory capacity.

§ 25

1. The Management Board shall notify members of the date, place and proposed agenda of the National Meeting of Members 2 weeks before the date of the Meeting, directly, by registered mail or courier service, or electronically with acknowledgment of receipt if the member has agreed to be notified electronically.
2. The notice of the remote meeting additionally includes a description of how to participate and exercise voting rights, in particular, an indication of the communication tool.

§ 26

1. The Management Board is composed of 2–10 members, including the President and 1–4 Vice-Presidents, who constitute the Presidium of the Management Board. The number of members of the Management Board for a given term is determined by the National Meeting of Members.
2. The Management Board is constituted at its first meeting. Members of the Management Board elect Vice-Presidents from among themselves.
3. In the event that an ordinary member of the Association who is part of the Association's authorities loses their status as an ordinary member, their term of office in the Association's authorities shall automatically expire on the date of loss of membership in the Association.

§ 27

1. The Management Board manages the overall activities of the Association between National Meetings of Members.
2. The powers of the Management Board include:
 - 1) Implementation of resolutions of the National Meeting of Members,
 - 2) managing the assets and funds of the Association,
 - 3) representing the Association, including incurring property obligations,
 - 4) Determining the scope of powers and authority for the Presidium of the Management Board and evaluating the work of the Presidium of the Management Board,
 - 5) granting ordinary and supporting membership, deciding on the termination of membership in accordance with these Articles of Association, and applying to the National

Meeting of Members for the granting of honorary membership,

- 6) establishment and liquidation of the Association's business units, together with the appointment and dismissal of the directors of these units,
- 7) consideration of other matters not reserved for the decision of the National Meeting of Members,
- 8) entering into, amending and terminating agreements with the Director,
- 9) adoption of bylaws, concerning the activities of PTEZ to the extent not regulated in the Articles of Association,
- 10) constant verification of the status of the Association's members,
- 11) adoption of resolutions on affiliation with other associations and national and foreign organizations, as well as the establishment of companies, foundations.

3. Two members of the Management Board acting jointly, including the President or Vice-President, are required to submit declarations of intent on behalf of the Association. If the positions of President and Vice-Presidents are vacant, the concurrence of two members of the Management Board, acting jointly, is required to submit declarations of intent on behalf of the Association.

§ 28

1. Meetings of the Management Board shall be held in accordance with the rules of procedure adopted by the Management Board.
2. Meetings of the Management Board shall be held as needed, however, no less frequently than once a quarter.
3. The Management Board may adopt resolutions without holding a meeting by casting a vote in writing or by means of direct remote communication. Resolutions adopted in this manner are valid when all members of the Management Board have been notified of the content of the draft resolution, and at least half of the Management Board members have participated in the voting. Adoption of a resolution according to the aforementioned procedure consists of submitting to the individual members of the Management Board a draft resolution, the reasons for it and the deadline for voting.
4. Detailed conditions for the Management Board's activities, including the rules for adopting resolutions, are specified in the bylaws referred to in section 1.

§ 29

1. To conduct the day-to-day affairs of the Association, the Management Board may employ a Director on the basis of an employment relationship or civil law agreements. The Management Board, within the scope of its authority, determines its duties, powers and responsibilities.
2. The Director is accountable for their activities to the Association's bodies.
3. The Association bases its activities on the community work of its members. Subject to the provisions of section 4, the Association may employ employees, including its members, on the

basis of an employment relationship or civil law agreements.

4. A member of the Management Board may not be employed by the Association on the basis of an employment agreement or civil law relationship, and may not receive remuneration for activities performed in connection with their function.

§ 30

1. The Audit Committee is composed of 3 members, who elect a chairman from among themselves.

2. The Audit Committee is established to audit the substantive, financial and economic activities of the Association. The Audit Committee may adopt a resolution to perform an audit or review of the financial statements and shall select an entity authorized to perform the audit or review.

3. The Committee reports on its activities to the National Meeting of Members and is authorized to submit a request for granting discharge to the Management Board.

§ 31

1. The Arbitration by Fellow Members is composed of 3–5 members who elect a chairman from among themselves.

2. The Arbitration by Fellow Members is established to resolve disciplinary cases of Association members and appeals against decisions of the Management Board to deny membership in the Association or to terminate membership in the Association.

3. Decisions of the Arbitration by Fellow Members may be appealed to the National Meeting of Members within the time limit specified in § 11 section 2 above, with the exception of decisions of the Arbitration by Fellow Members made as a result of an appeal against a decision of the Management Board.

4. The Arbitration by Fellow Members may award the following penalties:

- a) reminder,
- b) reprimand,
- c) reprimand with warning of revocation of membership,
- d) exclusion from the Association.

5. Minutes of the Arbitration by Fellow Members hearing shall be prepared, signed by the members of the Arbitration by Fellow Members, submitting them to the Association's Management Board.

§ 32

The detailed organization and mode of work of the Management Board and its Presidium, as well as the Audit Committee and the Arbitration by Fellow Members, are defined in the bylaws adopted by these bodies.

§ 33

In agreements between the Association and a member of the Management Board and in disputes with them, the Association shall be represented by a member of the Audit Committee indicated in a resolution of this body, and in the absence of such a resolution, by two members of the Audit Committee acting jointly or by a proxy appointed by a resolution of the National Meeting of Members.

§ 34

In the event that it is necessary to supplement the number of authorities of the Association – the provisions of Chapter 4 of the Articles of Association on the election of authorities – shall apply accordingly.

Chapter 5

ASSETS OF THE ASSOCIATION

§ 35

1. For the implementation of statutory tasks, the Association may dispose of assets obtained by means of:
 - 1) contributions,
 - 2) donations and bequests, inheritances,
 - 3) grants and other legally permissible forms,
 - 4) any business activity in accordance with the law.
2. Income from the Association's business activity is used to achieve its statutory objectives and may not be distributed among its members.
3. A calendar year shall be the Association's financial year.
4. The Association may pursue business activity in the following areas:
 - 1) performing research and development works in the field of energy, automation, robotics, construction, electronics, information technology, mining, environmental engineering (PKD 72.19.Z);
 - 2) performing research and development works in the field of economics, organization and management (PKD 72.20.Z);
 - 3) performance of technical testing and analysis, including measurements (PKD 71.20.B);
 - 4) market research (PKD 73.20.Z);
 - 5) publishing activities, including book publishing (PKD 58.11.Z) and other periodical (PKD 58.14.Z) and non-periodical publishing (PKD 58.19.Z) and reproduction of recorded carrier media (PKD 18.22.Z);
 - 6) business and other management consultancy activities (PKD 70.22.Z);
 - 7) organization of trade shows, exhibitions, conferences, conventions (PKD 82.30.Z);

- 8) education and training of specialists (PKD 85.59.B);
- 9) other information and commercial activities, representing the interests of its members before government institutions (PKD 94.11.Z);
- 10) other out-of-school forms of education, not elsewhere classified (PKD 85.59.B);
- 11) conducting examinations (PKD 85.60.Z);
- 12) issuing certificates and licenses (PKD 85.5).

Chapter 6

FINAL PROVISIONS

§ 36

1. Amendment of the Articles of Association or dissolution of the Association requires a resolution of the National Meeting of Members, adopted by a majority of at least 2/3 of the votes in the presence of not less than 1/2 of the total number of members.
2. The resolution on the dissolution of the Association will specify the method of liquidation and the purposes for which its assets are to be used.