

DRAFT

**RESOLUTION NO [•]
of the Extraordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2016.**

concerning: the appointment of the Chairperson of the Extraordinary General Meeting of the Company

The Extraordinary General Meeting of TAURON Polska Energia S.A., with its registered office in Katowice, acting pursuant to Article 409 § 1 of the Commercial Companies Code and § 12 of the By-laws of the General Meeting Company Articles of Association, resolves as follows:

§ 1

Mr / Ms [•] is hereby appointed as the Chairperson of the Extraordinary General Meeting of the Company.

§ 2

The Resolution shall enter into force as of its adoption date.

DRAFT

**RESOLUTION NO [•]
of the Extraordinary General Meeting
of the Company acting under the enterprise name: TAURON Polska Energia S.A.
of 2016**

concerning: the adoption of the agenda of the Extraordinary General Meeting of the Company

The Extraordinary General Meeting of TAURON Polska Energia S.A., with its registered office in Katowice resolves as follows:

§ 1

The Extraordinary General Meeting of the Company adopts the following agenda of the meeting:

1. Opening of the Extraordinary General Meeting.
2. Appointment of the Chairperson of the Extraordinary General Meeting.
3. Determination as to whether the Extraordinary General Meeting has been duly convened and is capable of adopting binding resolutions.
4. Adoption of the agenda of the Extraordinary General Meeting.
5. Adoption of a resolution on waiving the secrecy of the vote on the committees appointed by the Extraordinary General Meeting.
6. Appointment of the Returning Committee of the Extraordinary General Meeting.
7. Adoption of the resolution concerning the principles for determining remuneration Management Board members of TAURON Polska Energia S.A. with its seat in Katowice.
8. Adoption of the resolution concerning the principles for determining remuneration of Supervisory Board members of TAURON Polska Energia S.A. with its seat in Katowice.
9. Closure of the Extraordinary General Meeting.

§ 2

The Resolution shall enter into force as of its adoption date.

Appendix no. 4
to the Announcement of the Management Board of TAURON Polska Energia S.A.
of convening the Extraordinary General Meeting of the Company

DRAFT

**RESOLUTION NO [•]
of the Extraordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2016**

concerning: waiving the secrecy of the vote on the committees appointed by the Extraordinary General Meeting.

The Extraordinary General Meeting of TAURON Polska Energia S.A., with its registered office in Katowice, acting pursuant to Article 420 § 3 of the Commercial Companies Code and § 15 section 9 of the By-laws of the General Meeting, resolves as follows:

§ 1

The secrecy of the vote on the committees appointed by the Extraordinary General Meeting is hereby waived.

§ 2

The Resolution shall enter into force as of its adoption date.

Appendix no. 5
to the Announcement of the Management Board of TAURON Polska Energia S.A.
of convening the Extraordinary General Meeting of the Company

DRAFT

**RESOLUTION NO [•]
of the Extraordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2016**

concerning: the appointment of the Returning Committee of the Extraordinary General Meeting

The Extraordinary General Meeting of TAURON Polska Energia S.A., with its registered office in Katowice, acting pursuant to Article 15 § section 1 of the By-laws of the General Meeting, resolves as follows:

§ 1

The Returning Committee is appointed composed of:

1. [•]
2. [•]
3. [•]

§ 2

The Resolution shall enter into force as of its adoption date.

DRAFT

**RESOLUTION NO [•]
of the Extraordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2016**

concerning: the principles for determining remuneration of Management Board members.

Acting pursuant to Article 2 section 2 item 1, Article 4, Article 5, Article 6, Article 7 and Article 8 of the Act of 9 June 2016 *concerning principles for determining remuneration of persons managing certain companies* (Journal of Laws of 2016 item 1202) the General Meeting of the Company resolves as follows:

§ 1

1. An agreement for provision of management services for the period of fulfilment of the function (the Agreement) is concluded with a Member of the Management Board of the Company, with the obligation of personal provision of services.
2. The content of the Agreement is determined by the Supervisory Board under the rules defined in the Act of 9 June 2016 *concerning principles for determining remuneration of persons managing certain companies* (the Act) and in accordance with the provisions of this Resolution.

§ 2

1. The total remuneration of a Management Board Member consists of a fixed part constituting a monthly basic salary (Fixed Remuneration) and a floating part, constituting a supplementary remuneration for the financial year of the Company (Floating Remuneration).
2. The amount of the monthly Fixed Remuneration of Management Board Members will be determined by the Supervisory Board, provided that:
 - a) Fixed Remuneration of the President of the Management Board will be determined in the brackets of amounts ranging from to-fold of the average wage in the enterprise sector, excluding the payment of profit distribution bonuses in the fourth quarter of the preceding year, announced by the President of the Central Statistical Office.
 - b) Fixed Remuneration of the members of the Management Board will be determined in the brackets of amounts ranging from to-fold of the average wage in the enterprise sector, excluding the payment of profit distribution bonuses in the fourth

quarter of the preceding year, announced by the President of the Central Statistical Office.

3. The Supervisory Board of the Company is hereby authorised to determine the amount of Fixed Remuneration for individual members of the Management Board in accordance with the provisions of item 2.

§ 3

1. Floating Remuneration depends on the level of implementation of Management Objectives and it shall not exceed % of Fixed Remuneration.
2. The general catalogue of Management Objectives is determined, i.e.:
 - a)
 - b)
 - c)
3. Additional Management Objectives are determined to be delivered by 30 June 2017 in the form of:
 - a) Implementation of remuneration principles for management and supervisory bodies' members, compliant with the provisions of the Act in all companies of the Capital Group,
 - b) developing the composition of supervisory boards in all companies of the Capital Group, so that their members have powers authorising them to sit on supervisory boards, confirmed by a positive result of the exam for candidates for supervisory board members, referred to in Article 12 item 2 of the Act of 30 August 1996 on commercialisation and privatisation or hold powers discharging their obligations indicated in § 5 sections 2 and 3 of the regulation of the Council of Ministers of 7 September 2004 concerning training and examinations for candidates for supervisory board members of companies where the State Treasury is the sole shareholder, i.e. holding a scientific degree of PhD in economic sciences or legal sciences, or an entry to the list of legal counsels, advocates, statutory auditors or investment advisers. Derogation against the obligation to hold powers referred to above is allowable under circumstances when exercising the function of a Supervisory Board member in a company from the Capital Group is associated with the execution of the parent company employee's obligations in relation to subsidiaries or affiliates.
4. The Supervisory Board is authorised to specify Management Objectives, including determining the weights of those objectives as well as objective and measurable criteria of their implementation and settlement (KPI), taking into account that:
 - a) A given Member of the Management Board shall be entitled to receive Floating Remuneration after the approval of the report of the management board on operations of the company and the financial statements for the previous financial year as well as the discharge of the member's duties by the General Meeting,
 - b) payment of a part of the Floating Remuneration may be deferred for a period not exceeding 36 months, depending on the fulfilment of conditions, by the specified deadline, in compliance with the determined Management Objectives; in such a case such part of the Floating Remuneration may be paid as a whole or partly at the end of the settlement period,

- c) Floating Remuneration is re-calculated on a pro rata basis; the proportionality depends on the number of days the services are provided by Management Board members in a given financial year.
 - d) the Supervisory Board establishes the fulfilment of the terms of Floating Remuneration of individual Management Board Members, for whom Management Objectives were defined and who fulfilled functions in the financial year under assessment, by defining the amount due based on financial statements verified by statutory auditors and other documents, depending on determined Objectives.
5. The expiry of the mandate after the lapse of the financial year assessed in terms of accomplishment of the Management Objectives shall not result in the loss of a right to Floating Remuneration under the terms defined in items 1-4 above. The expiry of the mandate during the financial shall not result in the loss of a right to Floating Remuneration under the terms defined in items 1-4, however, provided that the time of fulfilment of the function in the financial year was longer than months.

§ 4

1. The Agreement contains the obligation imposed on a Management Board Member to inform of the intention to fulfil functions in governing bodies of any other company, purchase shares therein and may stipulate a prohibition on fulfilment of functions in governing bodies of any other commercial company or introduce other limitations concerning additional activity of a Management Board Member.
2. A Member of the Management Board must not collect remuneration on account of fulfilment of functions of a member in subsidiaries of the Company within the capital group, within the meaning of Article 4 item 14 of the Act of 16 February 2007 on protection of competition and consumers.
3. The Supervisory Board is authorised to determine prohibitions and restrictions referred to in items 1 and 2 above, reporting obligations arising from their performance and sanctions for undue performance.

§ 5

1. In the Agreement, the Supervisory Board shall define the scope and rules of making technical equipment and resources constituting the Company assets available to a Management Board Member, as required for the fulfilment of the function, and it may also define limits or methods of their defining in relation to costs incurred by the Company in connection with making the equipment and resources available and their use by the Management Board Member for official purposes.

§ 6

1. In the event of expiry of the mandate, in particular, as a result of death, dismissal or resignation, the Agreement shall terminate as of the last day of fulfilment of the function with no need to perform additional activities.
2. Each of the Parties shall be authorised to terminate the Agreement with immediate effect in case of material infringement of the provisions of the Agreement by the other Party.
3. The Company shall be authorised to terminate the Agreement for reasons other than defined in item 2 at a period of notice of maximum 3 (three) months, provided that in case an event referred to in item 1 occurs, resulting in termination of the Agreement due to ceasing to fulfil the function, the Agreement shall be terminated in accordance with the provisions of item 1.

4. In case of termination or dissolution of the Agreement by the Company for reasons other than defined in item 2, a Management Board Member may be awarded a severance payment at a level not higher than 3 (three) – fold fixed part of the remuneration, under the condition of fulfilment of the function by the Member over a period of at least 12 (twelve) months prior to the termination of this agreement.
5. The Management Board Member shall not be authorised to receive the severance payment referred to in item 4 in case of:
 - a) termination, dissolution or amendment to the Agreement as a result of change of the function fulfilled by the Executive in the Management Board composition,
 - b) termination, dissolution or amendment to the Agreement as a result of appointment of the Executive to the next term of office of the Management Board,
 - c) assuming the function of a management board member in a company within the Capital Group,
 - d) resignation from the function fulfilled.

§ 7

1. The Supervisory Board may conclude a non-competition agreement with a Management Board Member, effective after the fulfilment of the function has expired, whereas such agreement may be concluded only in case of fulfilment of the function by the Management Board Member over a period of at least 3 (three) months.
2. Concluding of the non-competition agreement after the dissolution or termination of the agreement shall not be permitted.
3. A period of non-competition may not exceed 6 (six) months after the fulfilment of the function by the Management Board Member has ceased.
4. In case of failure to perform or undue performance of the non-competition agreement by the Management Board Member, the member will be bound to pay liquidated damages to the Company, not lower than the level of the compensation attributable for the entire period of effectiveness of the non-competition clause.
5. In the non-competition agreement, the Supervisory Board shall be bound to determine at least the activity competitive towards the Company, the level of compensation due to compliance with the non-competition clause, deadlines for payment of such compensation, information obligations of the executive and cases in which the non-competition has ceased to be effective and it may also determine the Company right to rescind the non-competition agreement or the right of parties to terminate the non-competition agreement.

§ 8

The Resolution shall enter into force as of the day of its adoption.

Justification of adoption of the aforementioned resolution:

The draft submitted by the Shareholder - the State Treasury. The adoption of the aforementioned agreement is aimed at defining of new remuneration policy of Company Management Board Members based on the provisions of the Act of 9 June 2016 concerning principles for determining remuneration of persons managing certain companies.

DRAFT

**RESOLUTION NO [•]
of the Extraordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2016**

concerning: the principles for determining remuneration of Supervisory Board members.

Acting pursuant to Article 2 section 2 item 1, Article 10 of the Act of 9 June 2016 *concerning principles for determining remuneration of persons managing certain companies* (Journal of Laws of 2016 item 1202) the General Meeting of the Company (the Company) resolves as follows:

§ 1

1. A monthly remuneration of Supervisory Board members, as a product of the average monthly remuneration in the enterprise sector, excluding payment of profit distribution bonuses in the fourth quarter of the preceding year, announced by the President of the Central Statistical Office and the multiplier:
 - a) for the chairperson of the supervisory board –
 - b) for the vice-chairperson of the supervisory board and the secretary of the supervisory board –
 - c) for other members of the supervisory board –
2. Supervisory Board Members shall be authorised to receive remuneration referred to in item 1, regardless the number of meetings convened.
3. The remuneration shall not apply for that month in which a Member of the Supervisory Board was not present at any of the duly convened meetings, and the absence was not excused. The decision on excusing or failure to excuse the absence of a Member of the Supervisory Board at a meeting shall be made by the Supervisory Board by means of a resolution.

§ 2

The Resolution shall enter into force as of the day of its adoption.

Justification of adoption of the aforementioned resolution:

The draft submitted by the Shareholder - the State Treasury. The adoption of the aforementioned agreement is aimed at defining of new remuneration policy of Company Management Board Members based on the provisions of the Act of 9 June 2016 concerning principles for determining remuneration of persons managing certain companies.