

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

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

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

§ 1

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

§ 2

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

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

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

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

§ 1

The following agenda of the meeting of the Ordinary General Meeting of the Company is hereby adopted:

1. Opening of the Ordinary General Meeting.
2. Appointment of the Chairperson of the Ordinary General Meeting.
3. Determination as to whether the Ordinary General Meeting has been duly convened and is capable of adopting binding resolutions.
4. Adoption of the agenda of the Ordinary General Meeting.
5. Adoption of a resolution on waiving the secrecy of the vote on the committees appointed by the Ordinary General Meeting.
6. Appointment of the Returning Committee of the Ordinary General Meeting.
7. Presentation of financial results of the Company and TAURON Polska Energia S.A. Capital Group.
8. Presentation of the following Supervisory Board Reports:
 - 1) *“Report on the activities of the Supervisory Board of TAURON Polska Energia S.A. in the financial year 2019”*, containing, among others, the evaluation of the Company standing, including the assessment of the internal control, risk management systems, compliance and internal audit functions, comprising all significant control mechanisms, including, in particular those related to financial reporting and operational activity, the assessment of the method of fulfilment of disclosure obligations by the Company in relation to the application of corporate governance principles, the assessment of the rationality of the policy of sponsorship, charity or other similar activities, the assessment of compliance with the criteria of independence by Members of the Supervisory Board,
 - 2) *“Report of the Supervisory Board on the evaluation of the Financial statements of TAURON Polska Energia S.A., Consolidated financial statements of TAURON Capital Group, Report of the Management Board on operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year ended on 31 December 2019 including justification and the motion of the Management Board concerning the method of covering the net loss for the financial year 2019”*.
9. Examination of the *“Financial statements of TAURON Polska Energia S.A. for the year ended 31 December 2019 prepared in accordance with International Financial Reporting Standards approved by the European Union”* and adoption of the resolution on its approval.

10. Examination of the *“Consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the year ended 31 December 2019 prepared in accordance with International Financial Reporting Standards approved by the European Union”* and adoption of the resolution on its approval.
11. Examination of the *“Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2019”* and adoption of the resolution on its approval.
12. Adoption of the resolution concerning covering of the net loss for the financial year 2019.
13. Adoption of resolutions to grant the discharge from fulfilment of duties to all members of the Company Management Board who fulfilled their functions in the financial year 2019.
14. Adoption of resolutions to grant the discharge from fulfilment of duties to all Members of the Company Supervisory Board who served in the financial year 2019.
15. Adoption of a resolution regarding amendments to the Company Articles of Association.
16. Adoption of a resolution regarding the adoption of the *“Remuneration Policy for Members of the Management Board and Supervisory Board at TAURON Polska Energia S.A.”*.
17. Adoption of a resolution regarding the number of members of the Company Supervisory Board.
18. Elections to the Supervisory Board of TAURON Polska Energia S.A. for the sixth joint term of office and adoption of resolutions regarding the appointment of members of the Supervisory Board for the sixth joint term of office.
19. Closing of the session of the Ordinary General Meeting.

§ 2

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

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

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

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

§ 1

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

§ 2

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

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

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

Acting pursuant to § 15(1) of the By-laws of the General Meeting, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice 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 Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: the approval of the *“Financial statements of TAURON Polska Energia S.A. for the year ended 31 December 2019 prepared in accordance with International Financial Reporting Standards approved by the European Union”*

Acting pursuant to Article 53(1) of the Accounting Act of 29 September 1994 and Article 393(1) and Article 395 § 2(1) of the Commercial Companies Code and § 35(1)(1) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Having examined and considered the evaluation of the below specified statements, conducted by the Supervisory Board of the Company, the *“Financial statements of TAURON Polska Energia S.A. for the year ended 31 December 2019 prepared in accordance with International Financial Reporting Standards approved by the European Union”* are approved, which consist of:

- 1) Statement of comprehensive income for the year ended on 31 December 2019 showing comprehensive income in the amount of PLN (451,659) thousand and net loss for the financial year 2019 in the amount of PLN (462,830) thousand,
- 2) Statement of financial standing as at 31 December 2019, which indicates the total balance of assets and liabilities in the amount of PLN 30,485,129 thousand,
- 3) Statement of changes in equity for the year ended on 31 December 2019 showing equity decrease of PLN 451,659 thousand,
- 4) Statement of cash flows for the year ended on 31 December 2019 showing net cash flow decrease of by the amount of PLN 1,510,954 thousand,
- 5) Accounting principles (policy) and additional explanatory notes.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

In accordance with Article 52 of the Accounting Act of 29 September 1994 (Journal of Laws of 2019, item 351) the *“Financial statements of TAURON Polska Energia S.A. for the year ended 31 December 2019 prepared in accordance with International Financial Reporting Standards*

approved by the European Union” have been approved by the Company Management Board under resolution No. 84/V/2020 of 30 March 2020.

Pursuant to resolution No. 23/V/2020 of 31 March 2020, the Supervisory Board of TAURON Polska Energia S.A. positively evaluated the said report as to its conformity with the ledgers and documents as well as actual state of affairs and submitted it for examination and approval by the Ordinary General Meeting.

The aforementioned financial statements of TAURON Polska Energia S.A. are subject to examination and approval by the General Meeting of the Company pursuant to Article 393(1) and Article 395 § 2(1) of the Commercial Companies Code and Article 53(1) of the Accounting Act including § 1(1) and § 3(4) of the Ordinance of the Minister of Finance of 31 March 2020 *on determining other deadlines for fulfilling obligations in the scope of records and in the scope of preparation, approval, disclosure and forwarding to the appropriate register, unit or body of reports or information* and § 35(1)(1) of the Articles of Association of the Company.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: the approval of the *“Consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the year ended 31 December 2019 prepared in accordance with International Financial Reporting Standards approved by the European Union”*

Acting pursuant to Article 63c(4) of the Accounting Act of 29 September 1994 and Article 395 § 5 of the Commercial Companies Code and § 35(1)(1) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Having examined and considered the evaluation of the below specified statements, conducted by the Supervisory Board of the Company, the *“Consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the year ended 31 December 2019 prepared in accordance with International Financial Reporting Standards approved by the European Union”* are approved, which consist of:

- 1) Consolidated statement of comprehensive income for the year ended on 31 December 2019 showing the total income in the amount of PLN (113,536) thousand and net profit for the financial year 2019 in the amount of PLN (11,683) thousand,
- 2) Consolidated statement of financial standing as at 31 December 2019, which indicates the total balance of assets and liabilities in the amount of PLN 41,917,765 thousand,
- 3) Consolidated statement of changes in equity for the year ended on 31 December 2019 showing equity increase by the amount of PLN 664,179 thousand,
- 4) Consolidated statement of cash flows for the year ended on 31 December 2019 showing cash flow increase by the amount of PLN 395,629 thousand,
- 5) Accounting principles (policy) and additional explanatory notes.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

Pursuant to Article 55(1), Article 63c(4) of the Accounting Act of 29 September 1994 (Journal of Laws of 2019, item 351) the *“Consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the year ended 31 December 2019 prepared in accordance with International Financial Reporting Standards approved by the European Union”* have been

approved by the Company Management Board under resolution No. 83/V/2020 of 30 March 2020.

Pursuant to resolution No. 25/V/2020 of 31 March 2020 the Supervisory Board of TAURON Polska Energia S.A. positively evaluated the *“Consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the year ended 31 December 2019 prepared in accordance with International Financial Reporting Standards approved by the European Union”* as to their conformity with the ledgers and documents as well as actual state.

The aforementioned consolidated financial statements of TAURON Capital Group are subject to examination and approval by the General Meeting of the Company pursuant to Article 395 § 5 of the Commercial Companies Code and Article 63(c)(4) of the Accounting Act including § 1(1) and § 3(4) of the Ordinance of the Minister of Finance of 31 March 2020 *on determining other deadlines for fulfilling obligations in the scope of records and in the scope of preparation, approval, disclosure and forwarding to the appropriate register, unit or body of reports or information* and § 35(1)(1) of the Company Articles of Association.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: the approval of the *“Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2019”*

Acting pursuant to Article 63c(4) in conjunction with Article 55(2a) of the Accounting Act of 29 September 1994 and § 35(1)(1) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Having examined and considered the evaluation of the hereunder report, conducted by the Supervisory Board of the Company, the *“Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2019”* covering the period from 1 January 2019 to 31 December 2019 is approved.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

In accordance with Article 55(2a) of the Accounting Act of 29 September 1994 (Journal of Laws of 2019, item 351), the *“Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2019”* has been approved by the Company Management Board under resolution No. 85/V/2020 of 30 March 2020.

Pursuant to resolution No. 26/V/2020 of 31 March 2020, the Supervisory Board of TAURON Polska Energia S.A. positively evaluated the said report as to its conformity with the ledgers and documents as well as actual state of affairs and submitted it for examination and approval by the Ordinary General Meeting.

The aforementioned Management Board report on the operations of TAURON Polska Energia S.A. Capital Group is subject to examination and approval by the General Meeting of the Company pursuant to Article 63c(4) in conjunction with Article 55(2a) of the Accounting Act including § 1(1) and § 3(4) of the Ordinance of the Minister of Finance of 31 March 2020 *on determining other deadlines for fulfilling obligations in the scope of records and in the scope of preparation, approval, disclosure and forwarding to the appropriate register, unit or body of reports or information* and § 35(1)(1) of the Articles of Association of the Company.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: covering of the net loss for the financial year 2019

Acting pursuant to Article 395 § 2(2) of the Commercial Companies Code and § 35(1)(3) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

It is hereby decided to cover the net loss of TAURON Polska Energia S.A. for the financial year 2019 covering the period from 1 January 2019 to 31 December 2019 in the amount of PLN 462,830,170.74 (in words: four hundred and sixty-two million eight hundred and thirty thousand one hundred and seventy zloty 74/100) from the Company supplementary capital.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

The financial statements of TAURON Polska Energia S.A. drawn up for the financial year ended on 31 December 2019 indicated the net loss in the amount of PLN 462,830,170.74.

The financial statements include:

- results of share impairment tests: by creating a write down in the amount of PLN 99,058 thousand for TAURON Wydobywanie S.A. and TAURON Ciepło S.A. in the amount of PLN 168,140 thousand and reversal of the revaluation write down on shares in the amount of PLN 185,172 thousand for TAURON EKOENERGIA sp. z o.o.,
- lowering the valuation and creation of a revaluation write-down on debt financing instruments granted to TAURON Wydobywanie S.A. in the amount of PLN 1,410,686 thousand,

which burdened the financial costs of TAURON Polska Energia S.A. in the total amount of PLN 1,492,712 thousand and affected the negative financial result of PLN 462,830,170.74 for the financial year ended 31 December 2019.

The need to reduce the carrying value of shares and debt financing instruments granted to TAURON Wydobywanie S.A. in 2019 resulted mainly from the following circumstances:

- updating technical and economic assumptions, mainly in the field of exploitation plans and deposit availability,

- updating market assumptions in the scope of capital cost.

The need to write down shares in TAURON Ciepło Sp. z o.o. in 2019 resulted mainly from the update of market assumptions regarding the cost of capital.

The possibility of reversing the write-off of shares of TAURON EKOENERGIA Sp. z o.o. in 2019 resulted mainly from the following circumstances:

- changes in renewable energy regulations (regarding the method of determining the substitution fee) having a positive impact on the financial results generated by assets based on renewable energy sources;

- a fundamental change in market factors related to the production of energy from renewable energy sources and thus an increase in competitiveness compared to conventional generation.

The supplementary capital presented in the Company financial statements for the year ended on 31 December 2019, mainly created from profits for previous years currently amounts to PLN 6,801,581,172.17 thousand and allows for covering the loss presented in the Company financial statements.

Taking into account Articles 395 and 396 of Commercial Companies Code, pursuant to which the supplementary capital is created to cover losses, and its use is decided by the General Meeting of the Company, it is reasonable to cover the net loss of PLN 462,830,170.74 presented in the Company financial statements from the supplementary capital of the Company.

Pursuant to resolution No. 24/V/2020 of 31 March 2020, the Supervisory Board of TAURON Polska Energia S.A. has positively evaluated the motion of the Management Board to the General Meeting of the Company, expressed in resolution No. 86/V/2020 of 30 March 2020 concerning net loss coverage of the Company in 2019 from the supplementary capital of the Company.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties by the President of the Management Board, Filip Grzegorzczak for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Mr. Filip Grzegorzczak is discharged from fulfilment of his duties as the President of the Management Board of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

Pursuant to Article 395 § 2(3) of the Commercial Companies Code the subject of the Ordinary General Meeting is granting the discharge from fulfilment of duties to the members of the Company's governing bodies.

Following the analysis and evaluation of financial statements and the report on the operations of the Company and TAURON Capital Group, pursuant to resolution No. 36/V/2020 of 20 April 2020 the Supervisory Board of TAURON Polska Energia S.A. requested the Ordinary General Meeting of the Company to discharge Mr. Filip Grzegorzczak from fulfilment of his duties as the President of the Management Board of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties by the Vice-President of the Management Board, Jarosław Broda for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Mr. Jarosław Broda is discharged from fulfilment of his duties as the Vice-President of the Management Board for Asset Management and Development of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

Pursuant to Article 395 § 2(3) of the Commercial Companies Code the subject of the Ordinary General Meeting is granting the discharge from fulfilment of duties to the members of the Company's governing bodies.

Following the analysis and evaluation of financial statements and this report on the operations of the Company and TAURON Capital Group, pursuant to resolution No. 37/V/2020 of 20 April 2020 the Supervisory Board of TAURON Polska Energia S.A. requested the Ordinary General Meeting of the Company to discharge Mr. Jarosław Broda from fulfilment of his duties as the Vice-President of the Management Board for Asset Management and Development of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning granting the discharge from fulfilment of duties for Marek Wadowski for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Mr. Marek Wadowski is discharged from fulfilment of his duties as the Vice-President of the Management Board for Finance of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

Pursuant to Article 395 § 2(3) of the Commercial Companies Code the subject of the Ordinary General Meeting is granting the discharge from fulfilment of duties to the members of the Company's governing bodies.

Following the analysis and evaluation of financial statements and this report on the operations of the Company and TAURON Capital Group, pursuant to resolution No. 38/V/2020 of 20 April 2020 the Supervisory Board of TAURON Polska Energia S.A. requested the Ordinary General Meeting of the Company to discharge Mr. Marek Wadowski from fulfilment of his duties as the Vice-President of the Management Board for Finance of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties for Mr. Kamil Kamiński for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

for Mr. Kamil Kamiński is discharged from fulfilment of his duties as the Vice-President of the Management Board for Customer and Corporate Support of TAURON Polska Energia S.A. performed from 1 January 2019 to 21 September 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

Pursuant to Article 395 § 2(3) of the Commercial Companies Code the subject of the Ordinary General Meeting is granting the discharge from fulfilment of duties to the members of the Company's governing bodies.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties by the Vice-Chairwoman of the Supervisory Board, Ms. Teresa Famulska for 2019.

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Ms. Teresa Famulska is discharged from fulfilment of her duties as the Vice-Chairwoman of the Supervisory Board of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

Pursuant to Article 395 § 2(3) of the Commercial Companies Code the subject of the Ordinary General Meeting is granting the discharge from fulfilment of duties to the members of the Company's governing bodies.

In the financial year 2019 the Supervisory Board of TAURON Polska Energia S.A. performed their tasks in line with the generally applicable provisions of law, including Commercial Companies Code, as well as the Articles of Association of the Company and Best Practice of WSE Listed Companies.

The Supervisory Board of TAURON Polska Energia S.A., pursuant to resolution No. 22/V/2020 of 31 March 2020 adopted the *"Report on the activities of the Supervisory Board of TAURON Polska Energia S.A. in the financial year 2019"* comprising, among others:

- 1) the evaluation of the Company standing, including the assessment of the internal control, risk management systems, compliance and internal audit functions, comprising all significant control mechanisms, including, in particular those related to financial reporting and operational activity,
- 2) the assessment of the method of fulfilment of information obligations by the Company, in relation to the application of corporate governance principles defined in the Rules of

- the Exchange and provisions related to current and periodical information submitted by issuers of securities,
- 3) the assessment of the rationality of the policy of sponsorship, charity or other similar activities carried out by the Company,
 - 4) the assessment of compliance with the criteria of independence by members of the Supervisory Board.

and submitted a motion to the Ordinary General Meeting to acknowledge the fulfilment of duties by Members of the Supervisory Board from duties performed by them in the financial year 2019.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties by the Member of the Supervisory Board, Ms. Barbara Łasak - Jarszak for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Ms. Barbary Łasak - Jarszak is discharged from fulfilment of her duties as the Member of the Supervisory Board of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

The rationale concerning all resolutions on acknowledgement of the fulfilment of duties by members of the Supervisory Board in the financial year 2019 is included in draft resolution of the Ordinary General Meeting on granting the discharge from fulfilment of duties in the financial year 2019 by the Vice-Chairwoman of the Supervisory Board, Teresa Famulska.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties by the Member of the Supervisory Board, Mr. Grzegorz Peczkis for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Mr. Grzegorz Peczkis is discharged from fulfilment of his duties as the Member of the Supervisory Board of TAURON Polska Energia S.A. performed from 6 December 2019 to 31 December 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

The rationale concerning all resolutions on acknowledgement of the fulfilment of duties by members of the Supervisory Board in the financial year 2019 is included in draft resolution of the Ordinary General Meeting on granting the discharge from fulfilment of duties in the financial year 2019 by the Vice-Chairwoman of the Supervisory Board, Teresa Famulska.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties by the Member of the Supervisory Board, Ms. Katarzyna Taczanowska for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Ms. Katarzyna Taczanowska is discharged from fulfilment of her duties as the Member of the Supervisory Board of TAURON Polska Energia S.A. performed from 8 May 2019 to 31 December 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

The rationale concerning all resolutions on acknowledgement of the fulfilment of duties by members of the Supervisory Board in the financial year 2019 is included in draft resolution of the Ordinary General Meeting on granting the discharge from fulfilment of duties in the financial year 2019 by the Vice-Chairwoman of the Supervisory Board, Teresa Famulska.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties for Ms. Beata Chłodzińska for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Ms. Beata Chłodzińska is discharged from fulfilment of her duties as the Member of the Supervisory Board of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

The rationale concerning all resolutions on acknowledgement of the fulfilment of duties by members of the Supervisory Board in the financial year 2019 is included in draft resolution of the Ordinary General Meeting on granting the discharge from fulfilment of duties in the financial year 2019 by the Vice-Chairwoman of the Supervisory Board, Teresa Famulska.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties for Jacek Szyke for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Mr. Jacek Szyke is discharged from the fulfilment of his duties as the Secretary of the Supervisory Board of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

The rationale concerning all resolutions on acknowledgement of the fulfilment of duties by members of the Supervisory Board in the financial year 2019 is included in draft resolution of the Ordinary General Meeting on granting the discharge from fulfilment of duties in the financial year 2019 by the Vice-Chairwoman of the Supervisory Board, Teresa Famulska.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties by the Member of the Supervisory Board, Radosław Domagalski - Łabędzki for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Mr. Radosław Domagalski-Łabędzki is discharged from the fulfilment of his duties as the Member of the Supervisory Board of TAURON Polska Energia S.A. performed from 1 January 2019 to 8 May 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

The rationale concerning all resolutions on acknowledgement of the fulfilment of duties by members of the Supervisory Board in the financial year 2019 is included in draft resolution of the Ordinary General Meeting on granting the discharge from fulfilment of duties in the financial year 2019 by the Vice-Chairwoman of the Supervisory Board, Teresa Famulska.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties by the Member of the Supervisory Board, Paweł Pampuszko for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Mr. Paweł Pampuszko is discharged from fulfilment of his duties as the Member of the Supervisory Board of TAURON Polska Energia S.A. performed from 1 January 2019 to 8 May 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

The rationale concerning all resolutions on acknowledgement of the fulfilment of duties by members of the Supervisory Board in the financial year 2019 is included in draft resolution of the Ordinary General Meeting on granting the discharge from fulfilment of duties in the financial year 2019 by the Vice-Chairwoman of the Supervisory Board, Teresa Famulska.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties for Mr. Rafał Pawełczyk for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Mr. Rafał Pawełczyk is discharged from fulfilment of his duties as the Member of the Supervisory Board of TAURON Polska Energia S.A. performed from 8 May 2019 to 26 July 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

The rationale concerning all resolutions on acknowledgement of the fulfilment of duties by members of the Supervisory Board in the financial year 2019 is included in draft resolution of the Ordinary General Meeting on granting the discharge from fulfilment of duties in the financial year 2019 by the Vice-Chairwoman of the Supervisory Board, Teresa Famulska.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties by the Member of the Supervisory Board, Jan Płudowski for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Mr. Jan Płudowski is discharged from fulfilment of his duties as the Member of the Supervisory Board of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

The rationale concerning all resolutions on acknowledgement of the fulfilment of duties by members of the Supervisory Board in the financial year 2019 is included in draft resolution of the Ordinary General Meeting on granting the discharge from fulfilment of duties in the financial year 2019 by the Vice-Chairwoman of the Supervisory Board, Teresa Famulska.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties by the Member of the Supervisory Board, Marcin Szlenk for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Mr. Marcin Szlenk is discharged from fulfilment of his duties as the Member of the Supervisory Board of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

The rationale concerning all resolutions on acknowledgement of the fulfilment of duties by members of the Supervisory Board in the financial year 2019 is included in draft resolution of the Ordinary General Meeting on granting the discharge from fulfilment of duties in the financial year 2019 by the Vice-Chairwoman of the Supervisory Board, Teresa Famulska.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: granting the discharge from fulfilment of duties for Agnieszka Woźniak for 2019

Acting pursuant to Article 393(1) and Article 395 § 2(3) of the Commercial Companies Code and § 35(1)(2) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Ms. Agnieszka Woźniak is discharged from fulfilment of her duties as the Member of the Supervisory Board of TAURON Polska Energia S.A. performed from 1 January 2019 to 31 December 2019.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

The rationale concerning all resolutions on acknowledgement of the fulfilment of duties by members of the Supervisory Board in the financial year 2019 is included in draft resolution of the Ordinary General Meeting on granting the discharge from fulfilment of duties in the financial year 2019 by the Vice-Chairwoman of the Supervisory Board, Teresa Famulska.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: amendments to “The Articles of Association of the Company of TAURON Polska Energia S.A.”

Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice, acting pursuant to art. 430 § 1 of the Code of Commercial Companies and § 35(1) item 18) of the Company Articles of Association, resolves as follows:

§ 1

The following changes are made to “The Articles of Association of TAURON Polska Energia S.A.”:

1. the following paragraphs 5 and 6 are added to § 13:

“5. It is also possible to participate in a meeting of the Management Board using means of direct remote communication.

6. The Management Board may adopt resolutions in writing or by using means of direct remote communication.”

2. § 17(4) item 4) of the Company Articles of Association shall be replaced by the following:

“4) The announcement about the qualification procedure is published on the Company website and in the Public Information Bulletin of the minister competent to exercise rights in respect of rights from State Treasury shares,”

3. § 18 of the Company Articles of Association shall read as follows:

“1. The General Meeting adopts a remuneration policy for members of the Company Management Board and Supervisory Board, taking into account the requirements of the Act of July 29, 2005 on public offerings and conditions governing the introduction of financial instruments to organized trading, and on public companies.

2. The principles of determining the remuneration and the amount of remuneration of members of the Management Board are determined by the General Meeting taking into account the provisions of the Act of June 9, 2016 on the principles of determining the remuneration of persons managing certain companies.”

4. in § 20 in paragraph 2 of the Company Articles of Association the following item 14) is added:

“14) conclusion of a significant transaction with a related entity within the meaning of the Act of 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organized trading, and on public companies.”

5. § 23(1) item 2) of the Company Articles of Association shall read as follows:

“2) In the period in which the State Treasury, including together with subsidiaries of the State Treasury within the meaning of § 10(5) of the Articles of Association, holds the number of the Company's shares entitling to exercise less than 25% (twenty-five percent) of the total votes in the Company, the State Treasury, represented by the minister competent to exercise rights in the scope of shares from the State Treasury, is entitled to appoint and remove one member of the Supervisory Board.”

6. § 27 of the Company Articles of Association shall read as follows:

“1. The Supervisory Board adopts resolutions if at least half of its members are present at the meeting and all its members have been invited.

2. It is also possible to participate in a meeting of the Supervisory Board using means of direct remote communication.

3. The Supervisory Board adopts resolutions in an open vote.

4. Secret voting is ordered at the request of a member of the Supervisory Board and in personal matters.

5. The Supervisory Board may adopt resolutions in writing or by using means of direct remote communication. The resolution is valid if all members of the Supervisory Board have been notified of the content of the draft resolution and at least half of the members of the Board took part in adopting the resolution.

6. The Supervisory Board may adopt resolutions in the mode referred to in paragraph 5 also in matters referred to in paragraph 4, provided that no member of the Supervisory Board objects.

7. Resolutions adopted pursuant to the procedure referred to in paragraph 5 are presented at the next meeting of the Supervisory Board with the result of voting.”

7. § 38¹ (3) item 1) of the Company Articles of Association shall be replaced by the following:

“1) The announcement of a tender or auction shall be placed in the Public Information Bulletin of the minister competent to exercise rights in the area of State Treasury shares, on the Company's website, in a visible, publicly accessible place at the Company headquarters and in other places customarily used for placing announcements.”

§ 2

The resolution enters into force on the day it is adopted with effect from the date of entering the changes in the Register of Entrepreneurs of the National Court Register.

Substantiation of adopting the above-mentioned resolution:

Changing the Company Articles of Association is justified by the need to update it in connection with the reorganization of government administration departments and the transfer of the exercise of rights under the shares of TAURON Polska Energia S.A. to the Minister of State Assets. belonging to the Treasury.

The current wording of the Company Articles of Association contains provisions on the exercise of the rights of shares belonging to the Treasury by the Minister of Energy, introduced on the basis of the Regulation of the Council of Ministers of 3 January 2017 on the list of companies in which rights from shares of the Treasury are exercised by members of the Council of Ministers, government proxies or state legal persons other than the Prime Minister.

In addition, it is reasonable to supplement the provisions of the Company Articles of Association in the part regarding the competences of the General Meeting and the Supervisory Board in connection with the Act of 16 October 2019 amending the Act on public offering and conditions for introducing financial instruments to organized trading, and on public companies.

In the amended Act on public offering, new provisions were added regarding the remuneration policy, according to which the General Meeting adopts a policy specifying the principles of remuneration for Members of the Management Board and the Supervisory Board.

The policy should be adopted by the Company Ordinary General Meeting approving the Company financial statements and the consolidated financial statements of the Capital Group for the financial year 2019.

In addition, the amended Act on the offer delegated to the Supervisory Board the competence to consent to the conclusion by the Company of a significant transaction with a related entity. The consent of the Supervisory Board is not required if it is a transaction concluded in the ordinary course of business on an arm's length basis or it is concluded with a related entity in which the sole shareholder or shareholder is the transacting company or subsidiary or it is a transaction related to the payment of remuneration to board members or the supervisory board, due in accordance with the remuneration policy adopted in the company or subsidiary concluding the transaction.

An amendment to the Company Articles of Association is also justified by the need to update it in connection with the amendments to the Commercial Companies Code introduced by the Act of 31 March 2020 amending the Act on special solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations related to them, and some other acts, and the following Act of 16 April 2020 on specific support instruments in connection with the spread of the SARS-CoV-2 virus.

The amendments introduced to the Commercial Companies Code by the abovementioned Acts are intended to enable members of company bodies, i.e. the Supervisory Board and the Management Board, to participate in meetings using means of distance communication, as well as to allow resolutions to be adopted in writing or using means of communication on the distance between meetings.

At the same time, it should be noted that in accordance with art. 388 § 3¹ of the Code of Commercial Companies, the Supervisory Board may adopt resolutions in writing or by using means of distance communication also in matters for which the company Articles of Association provides for secret voting, provided that no member of the supervisory board objects.

The Supervisory Board of TAURON Polska Energia S.A., by resolution No. 49/V/2020 of 25 May 2020, issued a positive opinion on the Management Board's request to the General Meeting for amendments to the Company Articles of Association of TAURON Polska Energia S.A. expressed in Resolution No. 130/V/2020 of the Management Board of 19 May 2020.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: adoption of the “Remuneration Policy for Members of the Management Board and Supervisory Board of TAURON Polska Energia S.A.”

Acting pursuant to Article 90d(1) of the Act of 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organized trading, and on public companies, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice, resolves as follows:

§ 1

The “Remuneration Policy for Members of the Management Board and Supervisory Board at TAURON Polska Energia S.A.” is adopted, constituting the annex to the resolution.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

According to Article 90d(1) of the Act of 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organized trading, and on public companies (hereinafter: the "Act"), the General Meeting of the company adopts by resolution the “Remuneration Policy for Members of the Management Board and the Supervisory Board”.

According to the provisions of the above mentioned Act the Company pays remuneration to Members of the Management Board and the Supervisory Board only in accordance with the Remuneration Policy. The solutions adopted in the Remuneration Policy should contribute to the implementation of business strategy, long-term interests and stability of the company.

The Policy includes a description of the objectives, assumptions and the scope of the Remuneration Policy, structure and level of remuneration of Members of the Management Board, principles and amount of remuneration of Members of the Management Board (fixed remuneration, variable remuneration, other benefits), the remuneration system for Members of the Supervisory Board, information policy issues, as well as records on deviations from the Remuneration Policy.

The Policy in accordance with Article 36(1) of the above mentioned Act should be adopted by the Annual General Meeting of the Company approving the Company's financial statements and the consolidated financial statements of the Capital Group for the financial year 2019. In addition, a resolution on the Remuneration Policy is adopted by the general meeting at least

every four years, and a significant change in the Remuneration Policy requires its adoption by general meeting by way of resolution.

34

The Supervisory Board of TAURON Polska Energia S.A., by resolution No. 39/V/2020 of 20 April 2020, gave a positive opinion on the Management Board's request to the General Meeting regarding the adoption of the "Remuneration Policy of Members of the Management Board and Supervisory Board at TAURON Polska Energia S.A." expressed in Management Board Resolution No. 94 / V / 2020 of April 6, 2020.

REMUNERATION POLICY FOR THE MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF TAURON POLSKA ENERGIA S.A.

1. Objectives and assumptions of the Remuneration Policy

- 1.1. The Remuneration Policy for the Members of the Management Board and Supervisory Board (the “**Remuneration Policy**”) defines the objectives and principles of remuneration of Members of the Management Board and Supervisory Board at TAURON Polska Energia S.A. (“**TAURON Polska Energia S.A.**” or the “**Company**”), taking into account and complying with the applicable provisions of the Polish law, in particular the Act of 9 June 2016 on the principles of shaping the remuneration of persons managing certain companies and the law of the European Union, resolutions of the General Meeting and the Supervisory Board of the Company, provisions of the Code of Best Practice for WSE Listed Companies, European Commission Recommendations of 14 December 2004 on supporting the appropriate system of remuneration of directors of listed companies (2004/913/EC), European Commission Recommendations of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board (2005/162/EC) supplemented by the European Commission Recommendation of 30 April 2009 (2009/385/EC) as well as the European Parliament resolution of 7 July 2010 on remuneration of directors of listed companies and remuneration policies in the financial services sector (2010/2009(INI)). The Remuneration Policy also takes into account the requirements provided for in Chapter 4a of the Act of 29 July 2005 on public offer and the conditions of introduction of financial instruments to organised trading system and on public companies (consolidated text: Journal of Laws of 2019, item 623).
- 1.2. The Supervisory Board adopted the Remuneration Policy for members of supervisory and management bodies together with a description of the principles of its determination in TAURON Polska Energia S.A. in 2010, after the Company’s shares were admitted to public trading and the Best Practices of WSE Listed Companies were adopted for application. The above Policy was updated in 2017 in connection with the entry into force of the Act of 9 June 2016 on the principles of shaping the remuneration of the managers of certain companies. The Remuneration Policy in its current wording was established in connection with the entry into force of Chapter 4a of the Act of 29 July 2005 on public offer and the conditions of introduction of financial instruments to organised trading system and on public companies.
- 1.3. This Remuneration Policy has been prepared and adopted by the Management Board of the Company and has been positively reviewed by resolution of the Supervisory Board No. [●] of [●] and adopted by resolution of the General Meeting No. [●] of [●]. The Remuneration Policy will be posted on the Company’s website

together with the resolution of the General Meeting on its adoption, indicating the date of the resolution and the results of voting. The above mentioned documents remain available on the Company's website at least as long as they are applicable.

- 1.4. Once a calendar year, the Supervisory Board performs a comprehensive, periodic review of remuneration and prepares an annual remuneration report, which is then reviewed by the General Meeting and published. The General Meeting accepts the report of the Supervisory Board in the form of a resolution, which is of an advisory nature. The report of the Supervisory Board is published on the Company's website and made available free of charge for at least 10 years after the end of the General Meeting.
- 1.5. The overarching objectives of the Remuneration Policy are as follows:
 - 1) Ensuring a coherent and motivational system of remunerating the Members of the Management Board;
 - 2) Linking the remuneration principles with the monitoring of the implementation of the adopted strategic plans, long-term interests of the Company and the implementation of financial plans;
 - 3) Shaping the amount of remuneration of the Members of the Management Board of the Company in connection with the implementation of the set management objectives;
 - 4) Increase in the Company's value through the development of the top management staff;
 - 5) Improvement of the remuneration system which translates into implementation of the Company's business strategy and development directions;
 - 6) Ensuring stable development of the Company.
- 1.6. The form, structure and level of remuneration of the Members of the Management Board and the Supervisory Board should be aimed at enabling the acquisition and retention of persons meeting the criteria required to run the Company in a manner which takes into account the interests of the shareholders (building the Company's value for shareholders) and prevents the occurrence of conflicts of interest between the Members of the Management Board and shareholders.
- 1.7. The form, structure and level of remuneration of the Members of the Management Board and the Supervisory Board of the Company is constructed in a manner which is transparent for investors so as to build their trust in the Company and enable them to express their opinion in an appropriate mode.
- 1.8. The remuneration model covered by this Remuneration Policy assumes a two-component remuneration system for the Members of the Management Board, in which the total remuneration of a Member of the Management Board consists of a fixed part, constituting the basic monthly remuneration (the "**Fixed Remuneration**"), and a variable part, constituting the supplementary remuneration for the Company's financial year, depending on the fulfilment of specific management objectives (the "**Variable Remuneration**").
- 1.9. The system of remuneration of the Members of the Management Board assumes linking the variable portion of remuneration to the remaining management

objectives resulting from the provisions of the Act of 9 June 2016 on the principles of shaping the remuneration of persons managing certain companies and determined by the General Meeting and the Supervisory Board of the Company on the basis of these provisions. The adoption in the remuneration system of dependency of the variable portion of the remuneration on the achievement of the management objectives set for implementation is aimed, in particular, at implementing the adopted strategy of the Company (including the business strategy), its development directions and financial plans taking into account the long-term interests of the Company. Moreover, it shapes a new organisational culture of the Company. However, all the above actions must be taken in such a manner that they do not lead to any instability in the Company.

- 1.10. The management objectives and criteria include both the achievement/maintenance of specific financial indicators (e.g. EBITDA, Net Debt/EBITDA, rating, CSI) and non-financial indicators (e.g. implementation of the Strategy of the Tauron S.A. Group, increase in innovation, implementation of pro-ecological investments), as well as the implementation of investments and tasks defined both for the next year and in the long-term aspect, i.e. implementation of the strategy adopted for the next 5 years. In addition, each of the defined objectives (in particular non-financial objectives) is further specified by the tasks/objectives to be performed. The general criteria define the factors used as a basis for assessing the achievement of the objectives. The degree to which the criteria are met is determined by the methods indicated in the Remuneration Policy. The General Meeting authorises the Supervisory Board to specify the objectives and criteria in such a manner that the adopted detailed regulations are consistent with the provisions contained in the Remuneration Policy.
- 1.11. The remuneration system covered by this Remuneration Policy assumes a single-component system of determining remuneration for the Members of the Supervisory Board, in which the remuneration of a Member of the Supervisory Board consists of a fixed portion, constituting a monthly remuneration. The fixed level of remuneration of the Members of the Supervisory Board guarantees objective, uninterrupted monitoring of the implementation of objectives set for the Members of the Management Board by the Supervisory Board. The remuneration method defined in such a manner allows to ensure stability of the Company's operations and assess the degree of implementation of the business strategy and long-term interests by the Management Board.

2. Scope of the Remuneration Policy

- 2.1. This Remuneration Policy sets out the principles of determining and basic structure of remuneration of the Members of the Company's Management Board and the principles of determining remuneration of the Members of the Company's Supervisory Board.
- 2.2. The systems of remuneration of the Members of the Management Board and the Supervisory Board have been determined taking into account the provisions of the Act of 9 June 2016 on the principles of shaping the remuneration of the managers of certain companies and the best market practices applied in business

entities, especially in the energy and fuel sector, of a size comparable to the Company.

- 2.3. Resolutions on remuneration of the Members of the Management Board and Members of the Supervisory Board are adopted by the General Meeting and the Supervisory Board within the scope of their competences, where the General Meeting defines the principles of shaping remuneration of members of the management body and members of the supervisory body, while the Supervisory Board adopts a resolution on shaping remuneration of members of the management body.
- 2.4. In addition, when creating the Remuneration Policy, the working and pay conditions of the Company's employees other than the Members of the Management Board and Supervisory Board were taken into account. In all the Companies of the TAURON Group, including TAURON Polska Energia S.A., activities related to focusing on a consistent approach to the process of remunerating employees are of key importance.
- 2.5. The adopted principles of shaping remuneration define the system of remuneration of the Members of the Management Board in connection with the remaining tasks aimed at implementing the adopted Strategy, development directions and financial plans. These tasks are performed by subordinate managers, Directors and other employees of the Company.
- 2.6. The level and structure of remuneration of lower-level employees depends on achieving results consistent with the strategy of the entire Tauron Group, including TAURON Polska Energia S.A., while taking into account the effects and quality of work. A uniform and comprehensive approach to the process of achieving the management objectives set for the Members of the Management Board is ensured by a system of management with the use of objectives for the top management staff in the Companies of the TAURON Group, applicable in the entire TAURON S.A. Group.
- 2.7. The financial objectives set for the Members of the Management Board, the achievement of which is taken into account when determining the remuneration, are transferred (cascaded) to the managers directly subordinate to them. Other objectives are assigned to individual Directors according to their area of responsibility under the current process management. The transfer of objectives also to employees other than the Members of the Management Board results in that the achievement of objectives by subordinate managers and Directors directly affects the achievement of objectives set for the Members of the Management Board. The correlation between the level and structure of remuneration and the achievement of objectives at all levels therefore has a direct impact on the fulfilment of objectives by the Members of the Management Board and thus on their Variable Remuneration.
- 2.8. The current system of remuneration and bonuses for key managers also provides for the level of remuneration to depend on the financial results of the TAURON Capital Group and TAURON Polska Energia S.A. in the annual perspective and the implementation of strategic objectives. The MTO (Management Through Objectives) bonus system based on market bonus mechanisms ensures the

integration of key managers' activities around the achievement of objectives aimed at the implementation of the Strategy, as well as strategic objectives and development directions of individual Companies of the TAURON Capital Group.

- 2.9. The adopted system allows for cascading the objectives set by the Management Board of the Company at the level of the TAURON Capital Group and at the level of the Company to specific, parameterised tasks for employees working at lower levels of the organisation. At the same time, this tool makes it possible to correlate the key performance indicators set for the Members of the Management Board with the objectives which are set for a given year for the key managers of the Company, and thus to link the remuneration of the managers with that of the Members of the Management Board.
- 2.10. The remuneration of the Members of the Supervisory Board is determined in accordance with the above guidelines.

3. Structure and level of remuneration of the Members of the Management Board

1. The form, structure and level of remuneration of the Members of the Company's Management Board should be constructed in a manner which is transparent for the investors and which fairly balances their strategic interests and the motivational function for the Management Board, taking into account the applicable laws.
2. The remuneration structure for the Members of the Management Board is determined to ensure long-term stability of the Company and to guarantee performance-based remuneration.
3. The Members of the Management Board receive remuneration on the basis of a contract for the provision of management services, concluded for the duration of their functions in the Management Board of the Company.
4. Each party shall have the right to terminate the contract with a three-month notice period. The contract may be terminated at any time by agreement of the parties. The contract may specify the cases allowing the parties to terminate it with immediate effect.

3.1. The principles and amounts of remuneration of the Members of the Management Board

- 3.1.1. The total remuneration of a Member of the Management Board consists of a fixed portion, constituting the basic monthly remuneration (the Fixed Remuneration) and a variable portion, constituting the supplementary remuneration for the Company's financial year (the Variable Remuneration).
- 3.1.2. The amount of the Fixed Remuneration and the maximum amount of the Variable Remuneration for a given financial year of the Member of the Management Board shall be determined by the Supervisory Board in the form of a resolution. In determining the amount of the Fixed and Variable Remuneration, the Supervisory Board takes into account the provisions of this Remuneration Policy, and in

particular the management objectives, criteria and methods of meeting the criteria.

3.2. Fixed Remuneration

- 3.2.1. The amount of the monthly Fixed Remuneration of the Members of the Management Board, taking into account that it should be appropriate to the position and scope of responsibility and adequately motivate, and eliminate the risk of conflict of interest of the Members of the Management Board, is determined by the Supervisory Board in the range from 7 to 15 times the base pay referred to in Article 1(3)(11) of the Act of 9 June 2016 on the principles of shaping the remuneration of the managers of certain companies.
- 3.2.2. When determining the amount of the Fixed Remuneration, the Supervisory Board takes into account the content of Article 5(1)(3) of the Act of 9 June 2016 on the principles of shaping the remuneration of the managers of certain companies, by virtue of which, if a Member of the Management Board serves as a member of a body in the Company's subsidiaries within a capital group within the meaning of Article 4(14) of the Act of 16 February 2007 on competition and consumer protection, they shall not receive additional remuneration for the performance of these functions.
- 3.2.3. The Fixed Remuneration shall not affect the benefits received by the Company or a Member of the Management Board, if:
 - 1) the Company uses the private property of the Members of the Management Board and is obliged to reimburse the costs incurred in this respect;
 - 2) the Members of the Management Board are obliged to reimburse the equivalent of the benefits incurred by the Company for the use of the Company's property for private purposes.
- 3.2.4. The Fixed Remuneration shall be reduced in the case of inability of a Members of the Management Board to provide management services in an uninterrupted manner, on the principles set out in a resolution of the Supervisory Board on the remuneration of the Members of the Management Board, except for the right of the Members of the Management Board to a break in the provision of management services not resulting in a reduction of remuneration, in a total number of 24 calendar days in a given calendar year, on the principles set out in a resolution of the Supervisory Board.

3.3. Variable Remuneration

- 3.3.1. The Variable Remuneration of a Member of the Management Board depends on the level of achievement of both general and specific management objectives based on the adopted criteria set out in, or based on, this Remuneration Policy and may not exceed 100% of the annual Fixed Remuneration.
- 3.3.2. If a Member of the Management Board performs the subject of the contract for a period shorter than a full financial year, provided that the period of performing the function in a financial year was longer than 3 (three) months, the Variable Remuneration is calculated proportionally. Proportionality depends on the number of days of providing services by a Member of the Management Board in a given financial year.

- 3.3.3. The degree to which particular management objectives, both financial and non-financial, are achieved has a direct impact on the determination of the Variable Remuneration and constitutes the basic factor for its calculation.
- 3.3.4. The general management objectives are in particular:
- 1) achieving EBIDTA at the level approved in the Material and Financial Plan for the given financial year;
 - 2) achieving the Net Debt/EBIDTA at the level approved in the Material and Financial Plan for the given financial year;
 - 3) maintaining the Company's rating at the investment level;
 - 4) achieving the effects of implemented restructuring programmes or improving operational efficiency in the Capital Group;
 - 5) implementation of the Capital Group's strategy, investments in accordance with the schedule and budget which is optimal from the point of view of the profitability of projects and the condition of the Capital Group;
 - 6) implementation of key investments for energy security, in particular in the areas of energy generation and distribution, including, in the years 2020-2021, investments related to BAT;
 - 7) sales of new products (sales of energy-containing products and synergistic products for electricity and gas);
 - 8) improvement of quality indicators for customer service or other operational indicators;
 - 9) increase in the Capital Group's innovativeness through research, development, pilot runs and implementation, taking into account the effective use of funds allocated for this purpose.
- 3.3.5. The Supervisory Board is authorised to annually determine detailed management objectives and detailed criteria on which the amount of the Variable Remuneration depends. At the same time, the Supervisory Board determines the weighting of particular objectives and the criteria and method of calculating the Variable Remuneration. The Supervisory Board cannot establish objectives and criteria which are inconsistent with the Remuneration Policy.
- 3.3.6. The Supervisory Board, taking into account the management objectives, criteria and indicators of these criteria provided for in this Remuneration Policy, adopts by way of a resolution the detailed criteria, whereby the detailed criteria should be determined in accordance with the SMART principle, i.e. they should be:
- 1) precise - described in detail and clearly defined;
 - 2) measurable - formulated numerically or in a manner which makes it possible to determine their fulfilment;
 - 3) achievable - possible to be achieved;
 - 4) relevant - relevant to the Company and the person in charge of implementation;
 - 5) specified in time - a precisely defined moment in time when the assumed indicator level should be reached.
- 3.3.7. The Supervisory Board determines detailed management objectives and the criteria for their implementation and settlement, taking into account that:

- 1) the Variable Remuneration is due to a given Management Board member after the approval of the Management Board's report on the Company's activity and the Company's financial statements for the previous financial year, and the acknowledgement of the fulfilment of their duties by the General Meeting;
 - 2) the payment of a portion of the Variable Remuneration may be deferred for a period not exceeding 36 months, subject to the fulfilment of conditions in accordance with the management objectives set, in which case that portion of the Variable Remuneration may be paid in full or in part at the end of the settlement period;
 - 3) the Variable Remuneration is converted proportionally; the proportionality depends on the number of days of providing management services by the Members of the Management Board in a given financial year;
 - 4) meeting the conditions for the Variable Remuneration by individual Members of the Management Board for whom management objectives were set for a given financial year and who performed their functions in the assessed financial year, is decided by the Supervisory Board, specifying the amount due, based on the financial statements and other documents verified by experts, depending on the set objectives;
 - 5) expiry of the mandate of a Member of the Management Board evaluated in terms of fulfilment of management objectives does not result in the loss of the right to the Variable Remuneration, under the terms and conditions specified above, provided, however, that the term of office in the evaluated financial year was longer than 3 (three) months.
- 3.3.8. Detailed management objectives and criteria set by the Supervisory Board in accordance with the adopted Remuneration Policy may be set as management objectives for individual Members of the Management Board, as well as be common objectives - set for all Members of the Management Board.
- 3.3.9. The linking of the Variable Remuneration to the achievement of management objectives according to the criteria set out in this Remuneration Policy and the detailed management objectives set by the Supervisory Board fully meets the requirement that the adopted Remuneration Policy should contribute to the implementation of the business strategy, long-term interests and stability of the Company. The system supports in particular the achievement of strategic objectives and takes into account the dependence of the level of remuneration on the financial situation of the Company and the TAURON Capital Group in the annual and long-term perspective.

3.4. Company obligations and other benefits

- 3.4.1. In order for the Members of the Management Board to properly perform their duties related to the performance of their functions and to meet the security requirements, the Company's obligation is to provide the Members of the Management Board with technical equipment and resources being the Company's property, necessary for the performance of their functions, in particular: office space with equipment, including a portable personal computer with wireless Internet access and other necessary equipment, means of communication, including a mobile phone and a car with a driver. The scope and

principles of providing access to technical devices and resources being the Company's property are determined by the Supervisory Board.

- 3.4.2. Due to the obligations of the Members of the Management Board related to participation in conferences, seminars or meetings of a business nature related to the Company's business, the Company shall cover the costs related to the Members of the Management Board's participation in the above conferences and meetings as well as costs related to business travel in Poland and abroad, including travel and accommodation costs in accordance with the Business Travel Policy in force in the Company.
- 3.4.3. The Supervisory Board shall determine the scope and principles of using the following additional benefits for the Members of the Management Board, including those not of direct monetary nature, in particular such as:
 - 1) use of a company car for commuting from the place of residence to the Company's headquarters and for private purposes;
 - 2) health and life protection benefits, in particular: private medical insurance, including for immediate family, group insurance coverage, coverage of personal and property protection costs;
 - 3) the Company covering the cost of official apartment or granting of a housing allowance in the case of permanent residence at a considerable distance from the Company's headquarters;
 - 4) the Company refinancing or covering the costs of individual training courses, including foreign language learning, participation in post-graduate studies or other forms of learning;
 - 5) the Company incurring or refinancing of the basic contribution for the participation of a Member of the Management Board in an employee pension scheme operated by the Company under the Act on Employee Pension Schemes of 20 April 2004, on the terms and conditions provided for in the Workforce Agreement concluded on 25 September 2008;
 - 6) other employee benefits and advantages resulting from internal acts or applicable regulations binding in the Company, including electricity equivalent, multisport card, etc.
- 3.4.4. Unless the terms and conditions, limits and rules of using the benefits referred to in section 3.4.3. arise from this Remuneration Policy or internal regulations applicable in the Company, they will be each time determined by the Supervisory Board.
- 3.4.5. In the event of termination of the contract, the Members of the Management Board may be granted a severance pay of no more than three times the Fixed Remuneration, provided that they have performed their function for a period of at least 12 (twelve) months before the termination of the contract linking them to the Company. The terms and conditions of granting the severance pay in question shall be determined by the Supervisory Board on the basis of a resolution of the General Meeting of the Company on the principles of shaping the remuneration of the Members of the Management Board.
- 3.4.6. The Supervisory Board may conclude a non-competition agreement with a Member of the Management Board effective for the period after they cease to perform their function on the Company's Management Board; however, the

agreement may be concluded only if the Member of the Management Board has performed their function for at least 6 (six) months, and the amount of compensation for each month of the non-competition agreement being in force may not exceed 50% of the Fixed Remuneration, and the non-competition ban period may not exceed 6 (six) months they have ceased performing their function as a Member of the Management Board.

4. Principles of remuneration of the Members of the Supervisory Board

- 4.1. The Members of the Supervisory Board shall receive remuneration on the basis of the corporate relationship resulting from their appointment by appropriate resolutions for the term of their mandate. The Members of the Supervisory Board are appointed and dismissed by the General Meeting and the State Treasury - according to the principles set out in the Articles of Association. The General Meeting appoints the Members of the Supervisory Board for a joint term of office of 3 (three) years.
- 4.2. The remuneration of the Members of the Supervisory Board is determined by resolution of the General Meeting, taking into account the provisions of the Act of 9 June 2016 on the principles of shaping the remuneration of the managers of certain companies, and it is calculated as the product of the base pay referred to in Article 1(3)(11) of the same Act and the multiplier indicated in the resolution of the General Meeting on the determination of the remuneration of the Members of the Supervisory Board.
- 4.3. A Member of the Supervisory Board is entitled to a fixed monthly remuneration, regardless of the number of meetings convened. The remuneration is determined taking into account the function performed on the Supervisory Board.
- 4.4. The remuneration will be calculated in proportion to the number of days of performing the function if the appointment or expiry of the mandate of a Member of the Supervisory Board took place during a calendar month.
- 4.5. The remuneration shall not be due for the month in which the Member of the Supervisory Board was not present at any of the formally convened meetings for unjustified reasons. The Supervisory Board shall decide on excusing or not excusing the absence of a Member of the Supervisory Board at its meeting by way of a resolution.
- 4.6. The Company shall cover the costs incurred in connection with the performance by the Members of the Supervisory Board of the functions entrusted to them, in particular: costs of travel from the place of residence to the place where the Supervisory Board meeting or the Supervisory Board Committee meeting is held and back, costs of individual supervision and costs of accommodation and board.

5. Information policy

- 5.1. The information policy on the form, structure and level of remuneration of the Members of the Management Board and Supervisory Board of the Company should be maintained by the Company in consultation with the Supervisory Board

of the Company in a manner consistent with applicable regulations and best market practices.

- 5.2. The total remuneration and other benefits granted to the individual Members of the Management Board and Supervisory Board during a given financial year will be disclosed in annual financial statements.

6. Avoiding conflicts of interest

- 6.1. The division of competence to determine the amount of remuneration of the Members of the Management Board and Supervisory Board, as provided for in Article 378 and 392 of the Commercial Companies Code, taking into account the provisions of this Remuneration Policy, is a fundamental factor in preventing conflicts of interest.
- 6.2. A Member of the Management Board is obliged to immediately notify the Chairman of the Supervisory Board, and a Member of the Supervisory Board - the President of the Management Board, if a conflict of interest is identified as likely to arise or has arisen in relation to them, within the scope covered by this Remuneration Policy.
- 6.3. In the event of a conflict of interest, the Supervisory Board implements a procedure to update the Remuneration Policy accordingly in order to eliminate or prevent an identified or existing conflict of interest from arising in the future.

7. Deviations from the Remuneration Policy

If it is necessary to pursue long-term interests and financial stability of the Company or to guarantee its profitability, and in particular if, in the light of the current economic situation of the Company, it would be objectively impossible to pursue general objectives in accordance with the criteria set forth in the Remuneration Policy and the specific criteria provided for in a resolution of the Supervisory Board, the Supervisory Board may decide to temporarily waive the application of this Remuneration Policy.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: determining the number of members of the Supervisory Board of the Company.

Acting pursuant to Article 385 § 1 of the Commercial Companies Code and § 22(1) and § 24(1) and (5) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

It is established that the Supervisory Board of TAURON Polska Energia S.A. will consist of [•] (say: [•]) Members of the Supervisory Board.

§ 2

The resolution of the Ordinary General Meeting of TAURON Polska Energia S.A. No. 30 of 16 April 2018 loses its binding force.

§ 3

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

Substantiation of adopting the above-mentioned resolution:

Pursuant to § 24(5) of the Regulations of the General Meeting of TAURON Polska Energia S.A. before the election of the Supervisory Board, the General Meeting determines the number of members of the Supervisory Board.

DRAFT

**RESOLUTION NO [•]
of the Ordinary General Meeting
of the Company operating under the enterprise name: TAURON Polska Energia S.A.
of 2020**

concerning: the appointment of a Member of the Supervisory Board of TAURON Polska Energia S.A. of the sixth joint term of office.

Acting pursuant to Article 385 § 1 of the Commercial Companies Code and § 35(1)(4) of the Articles of Association of the Company, the Ordinary General Meeting of TAURON Polska Energia S.A. with its registered office in Katowice resolves as follows:

§ 1

Mr/ Ms [•] is hereby appointed to the Supervisory Board of TAURON Polska Energia S.A. of the sixth joint term of office.

§ 2

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

Substantiation of adopting the above-mentioned resolution:

In connection with the end of the term of office of the Supervisory Board of TAURON Polska Energia S.A. on 29 May 2020 and the expiry of the mandates on the day of the Ordinary General Meeting of the Company approving the Company financial statements for the financial year 2019, it is reasonable to proceed to the elections to the Supervisory Board of TAURON Polska Energia S.A. for the sixth joint term of office and adoption of relevant resolutions regarding the appointment of members of the Supervisory Board for the sixth joint term of office.