

RESOLUTION NO. 104/VI/2021
of the Management Board of TAURON Polska Energia S.A.
of 14 April 2021

concerning: the motion to the General Meeting of TAURON Polska Energia S.A. to adopt the amendments to the Company's Articles of Association and to the Supervisory Board to provide an opinion thereupon.

Acting pursuant to § 14(2)(15), in connection with § 35(1)(18) and § 36(1) of the Articles of Association of TAURON Polska Energia S.A., and also pursuant to § 10(1)(11) of the By Laws of the Management Board of TAURON Polska Energia S.A., the following is resolved:

§ 1

1. The Management Board submits a motion to the General Meeting of TAURON Polska Energia S.A. to adopt the following amendments to the Company's Articles of Association, **subject to § 2:**

1) existing § 8 of the Company's Articles of Association shall be given the following wording:

1. Company's shares are ordinary bearer shares and ordinary registered shares.
2. Bearer shares may not be converted into registered shares.
3. Registered shares may be converted into bearer shares in accordance with the rules and procedures set out in the Commercial Companies Code.

2) existing § 9, clause 3 shall be given the following wording:

3. General Meeting's resolution, authorizing the Management Board to undertake actions aimed at buying shares that are to be redeemed, defines the conditions of buying shares by the Company, ensuring respect for the rights of all shareholders.

3) in § 15, the existing numbering from clause 1 to clause 4 shall be given the numbering from clause 1 to clause 5.

4) in the existing § 15 clause 5 with the following wording shall be added:

5. The Management Board drafts, at least every four years, the remuneration policy for the members of the Management Board and the Supervisory Board of the Company in accordance with the Act of July 29, 2005, on the public offering and conditions governing the introduction of financial instruments to organized trading, and on public companies, and submits it to the General Meeting for approval and is responsible for the information contained therein.

5) existing § 18, clause 1 shall be given the following wording:

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

6) existing § 20, clause 1, item 4) shall be given the following wording:

- 4) drafting once a year and presenting to the General Meeting for approval, a report on the activities of the Supervisory Board, containing at least:
 - a) information on the composition (membership) of the Supervisory Board and the Committees thereof, including an indication which Members of the Supervisory Board meet the independence criteria defined in the Act of May 11, 2017, on certified auditors, audit firms and public oversight, and which of them do not have the actual and material ties to a shareholder holding at least 5% of the total number of votes in the Company, as well as the information on the composition (membership) of the Supervisory Board in the context of the diversity thereof,
 - b) summary of the activities of the Supervisory Board and the Committees thereof,
 - c) assessment of the Company's standing on a consolidated basis, including the assessment of the internal control systems, risk management, compliance and the internal audit functions, along with the information on the actions undertaken by the Supervisory Board in order to perform such an assessment, taking into account all relevant control mechanisms, including, in particular, the mechanisms related to the reporting and operating activities,
 - d) assessment of the application by the Company of the corporate governance rules and the manner of ensuring compliance with the disclosure obligations related to the application thereof defined in the Warsaw Stock Exchange Rules and in the provisions related to the current reports (regulatory filings) and the periodic reports disclosed by the issuers of securities, along with the information on the actions undertaken by the Supervisory Board in order to perform such an assessment,
 - e) assessment of the legitimacy of the expenses incurred by the Company and the group thereof for supporting culture, sports, charities, media, social organizations, trade unions, etc.,
 - f) information on the degree of implementation of the diversity policy with respect to the Management Board and the Supervisory Board, including the implementation of the diversity objectives and criteria, among others, in such areas as gender, education background, specialist knowledge, age and professional experience.

7) in the existing § 20, clause 1 item number 19) with the following wording shall be added:

- 19) drafting, once a year, a report on the remuneration for the Members of the Management Board and the Supervisory Board in accordance with requirements defined in the Act of July 29, 2005, on the public offering and conditions governing the introduction of financial instruments to organized trading, and on public companies.

8) in the existing § 20, clause 1 item number 20) with the following wording shall be added:

20) providing opinions on the draft resolutions placed by the Management Board on the agenda of the General Meeting.

9) in the existing § 20, clause 2 item 8) shall be deleted.

10) in § 20, clause 2, the existing items numbered from 1) to 14) shall be given the numbering from item 1) to item 13)

11) in the existing § 20 clause 3 shall be deleted.

12) in § 20, the existing numbering from clause 1 to clause 6 shall be given the numbering from clause 1 to clause 5.

13) existing § 23, clause 2 shall be given the following wording:

1. At least two members of the Supervisory Board should meet the independence criteria defined in the Act of May 11, 2017, on certified auditors, audit firms and public oversight, and also they should not have the actual and material ties to a shareholder holding at least 5% of the total number of votes in the Company.

14) in the existing § 27 clause 3 shall be given the following wording:

3. The Supervisory Board adopts resolutions in an open ballot, subject to the provisions of the generally applicable law.

15) in the existing § 27 clause 4 shall be given the following wording:

4. A member of the Supervisory Board voting against a resolution may, and in case the decision taken is in contravention of the interests of the Company, should submit a dissenting opinion to be recorded in the minutes of the meeting.

16) in the existing § 35, clause 1 item number 20) with the following wording shall be added:

- 20) providing an opinion on the report on the compensation of the Members of the Management Board and the Supervisory Board, referred to in § 20, clause 1, item 19).

17) in the existing § 35, clause 1 item number 21) with the following wording shall be added:

- 21) approval of the report on the activities of the Supervisory Board referred to in § 20, clause 1, item 4).

18) existing § 40, clause 4 shall be given the following wording:

4. The dividend date of record and the dividend payout date shall be determined by the Ordinary General Meeting. The Ordinary General Meeting sets the dividend date of record not earlier than on the date falling five days, and not later than on the date falling three months, from the date of adopting the resolution on the distribution of the profit. If the resolution of the Ordinary General Meeting does not

specify the dividend date of record, the dividend date of record shall be the date falling five days from the date of adopting the resolution on the distribution of the profit. If the resolution of the General Meeting does not specify the dividend payout date, the dividend shall be paid out on the date specified by the Supervisory Board. The dividend payout date shall be set within three months running from the dividend date of record. If neither the General Meeting, nor the Supervisory Board specifies the dividend payout date, the dividend should be paid out immediately after the dividend date of record.

2. The substantiation of the proposed amendments to the Company's Articles of Association, referred to in clause 1, is provided in the attachment to this resolution.

§ 2

Acting pursuant to § 36(1) of the Company's Articles of Association, the Management Board submits a motion to the Supervisory Board of TAURON Polska Energia S.A. to provide an opinion on the motion submitted to the General Meeting of TAURON Polska Energia S.A. to introduce the amendments to the Company's Articles of Association, referred to in § 1 hereof.

§ 3

The execution of this resolution shall be entrusted to the Executive Director for Corporate Affairs.

§ 4

The President of the Management Board, Paweł Strączyński will supervise the execution of this resolution.

§ 5

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

The resolution was adopted in an open ballot by 3 votes in favor.

Signatures of Management Board Members present at the meeting:

President of the Management Board – Paweł Strączyński

Vice President of the Management Board – Jerzy Topolski

Vice President of the Management Board – Marek Wadowski

**SUBSTANTIATION OF THE MOTION OF THE MANAGEMENT BOARD
OF TAURON POLSKA ENERGIA S.A. ADDRESSED TO THE GENERAL MEETING
FOR INTRODUCTION OF AMENDMENTS TO THE COMPANY ARTICLES OF
ASSOCIATION**

The purpose of amending the Company Articles of Association is to adjust its provisions to the amended regulations of the Code of Commercial Companies (CCC) and the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies as well as to implement the principles of Best Practice for WSE Listed Companies 2021, adopted by Resolution No. 13/1834/2021 of the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) of 29 March 2021, effective from 1 July 2021.

The adjustment of the provisions of the Articles of Association to the amendments to the CCC is determined by repealing, as of 1 March 2021, of Article 336 of the CCC, pursuant to which §8(3) operated in the Articles of Association which, among others, contains the instruction that registered shares should be issued to shareholders in return for contributions in kind. In addition, it is reasonable to specify that registered shares are ordinary shares for maintaining the consistency with the provisions of §7 of the Articles of Association.

The change in the wording of §40(4) of the Articles of Association is aimed at adjusting the provisions to the amended Article 348 of the CCC, pursuant to which the ordinary general meeting determines the dividend date as a date falling not earlier than five days and not later than three months after the date of adopting the resolution on profit distribution. If the resolution of the ordinary general meeting does not specify the dividend day, the dividend day shall be the day five days after adopting the resolution on profit distribution.

The adjustment of the provisions of the Articles of Association to the requirements of the amended Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies refers to the obligation imposed on the Supervisory Board to draw up an annual report on the remuneration of Members of the Management Board and the Supervisory Board and to present it to the Ordinary General Meeting with a view to issuing its opinion in the form of a resolution. The said report shall be subject to assessment by the statutory auditor in terms of its completeness. In addition, the General Meeting should adopt the remuneration policy for Members of the Management Board and the Supervisory Board at least every four years.

Further proposed amendments are justified by the adjustment of the provisions of the Articles of Association to the Best Practice for WSE Listed Companies 2021 which will apply from 1 July 2021.

The remaining amendments to the Company Articles of Association are of editorial nature and are related to the amendments to the Company Articles of Association referred to above.

The Supervisory Board of TAURON Polska Energia S.A., by its resolution no. 46/VI/2021 of 26 April 2021 issued a positive opinion on the motion of the Management Board submitted to the General Meeting to introduce amendments to the Articles of Association of TAURON Polska Energia S.A. expressed in the Resolution of the Management Board no. 104/VI/2021 of 14 April 2021.

Signatures of Members of the Management Board:

President of the Management Board - Paweł Strączyński

Vice-President of the Management Board - Jerzy Topolski

Vice-President of the Management Board - Marek Wadowski