

RESOLUTION NO. 106/VI/2021
of the Management Board of TAURON Polska Energia S.A.
of 20 April 2021

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

Acting pursuant to § 14(2)(15) of the Articles of Association of TAURON Polska Energia S.A. and also in connection with § 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 General Meeting By-Laws, **subject to § 2:**

1) In the existing § 4, clauses from no. 3 to no. 7 shall be given the numbering from no. 4 to no. 8.

2) in § 4, clause 3 shall be added which shall read as follows:

“3. In order to facilitate voting on resolutions with due awareness by Shareholders participating in the General Meeting, draft resolutions of the General Meeting concerning matters and decisions other than those of an orderly nature should include a justification, unless such justification stems from the documentation presented to the General Meeting. Draft resolutions included by the Management Board in the agenda of the General Meeting shall be submitted for the opinion of the Supervisory Board.

3) clause 6 in the existing § 4 shall be given the following wording:

“6. Unless the Management Board is the authority convening the General Meeting, it shall be bound to notify the Supervisory Board or the Shareholder or Shareholders convening the General Meeting immediately of the request to include certain matters on the agenda of the General Meeting notified by the Shareholder or Shareholders referred to in clause 4.”

4) in § 4, clause 9 shall be added which shall be given the following wording:

“9. Draft resolutions of the General Meeting on matters included on the agenda of the General Meeting should be submitted by Shareholders no later than 3 days before the General Meeting.”

5) the existing § 6 shall be given the following wording:

1. General Meetings take place either in the registered office of the Company or in Warsaw.
2. The Company shall determine the place and date as well as the form of the General Meeting in the manner enabling the participation of the highest possible number of Shareholders in the meeting.
3. The Company ensures commonly available real-time broadcasting of the General Meeting session.”

6) clause 1 in the existing § 7 shall be given the following wording:

“1. The list of Shareholders constituting the list of Shareholders authorised to participate in the General Meeting shall be prepared and signed by the Management Board, on the basis

of the list prepared and made available to the Company by the entity maintaining the securities depository.”

7) clause 2, item 2 in the existing § 7 shall be given the following wording:

“2) the place of their residence or registered office, whereby the individual may provide an address for service or an address for electronic service instead of place of residence,”

8) clause 5 in the existing § 7 shall be given the following wording:

“5. A Shareholder may request that a list of Shareholders is sent to it free of charge to the electronic address for service or by electronic mail, stating the address to which the list should be sent. This request may be submitted in electronic form to the Company e-mail address referred to in §3(2).”

9) Section 6 shall be added in § 19 which shall be given the following wording:

“6. The resolution on the new issue of shares with the exclusion of pre-emptive rights, which at the same time grants the pre-emptive right to subscribe for the new issue shares to selected Shareholders or other entities, may be adopted if at least the following premises are fulfilled:

- 1) the Company has a reasonable, economically justified need to raise capital urgently or the issue of shares is associated with reasonable, economically justifiable transactions, such as, but not limited to, a merger with or the acquisition of another company or the shares are to be subscribed under an incentive scheme adopted by the Company,
- 2) persons to whom the pre-emptive right will be granted will be indicated according to objective general criteria,
- 3) the subscription price will remain in reasonable relation to the current quotations of the Company shares or will be determined as a result of a market-based process of building the order book.”

10) clause 2 in the existing § 24 shall be given the following wording:

“2. Shareholders intending to propose candidates for members of the Supervisory Board should make available to the Company the justifications for the candidates, including the professional CVs of the candidates and a set of materials relating to them within a timeframe enabling other Shareholders to become acquainted with them before the General Meeting is held and a decision on the election of a member of the Supervisory Board is taken with due awareness, but no later than 3 days before the General Meeting. The information received from Shareholders shall be made available by the Company without delay to the other Shareholders in the manner specified in the notice of the General Meeting for the release of documentation and draft resolutions to be presented to the General Meeting.”

11) in clause 3 of the existing § 24, the sentence “The shareholder proposing, according to the procedure referred to in clause 2, candidates for members of the Supervisory Board shall submit to the Company a statement of the candidate concerning:” shall be given the following wording:

“3. The shareholder proposing, according to the procedure referred to in clause 2, candidates for members of the Supervisory Board shall submit to the Company, together with the justification of the candidate, the statement of the candidate concerning:”

12) clause 3, item 1) in the existing § 24 shall be given the following wording:

“1) whether or not this candidate meets the independence criteria listed in the Act of 11 May 2017 on auditors, audit firms and public supervision as well as the existence or non-existence of real and significant links between this candidate and a Shareholder holding at least 5% of the total number of votes in the Company.”

13) in the existing § 24, clauses from no. 5 to no. 10 shall be given the numbering from no. 7 to no. 12

14) in the existing § 24, clause 5 shall be added which shall be given the following wording:

“5. Persons deciding on the election of members of the Supervisory Board should ensure the versatility of the body by electing to its composition persons who ensure diversity, making it possible, among others, to achieve the target ratio of minimum minority participation determined at a level which is not lower than 30%, in accordance with the objectives set out in the diversity policy adopted in the Company.”

15) in § 24, clause 6 shall be added which shall be given the following wording:

“6. When electing members of the Supervisory Board, the General Meeting should ensure that at least two members of the Supervisory Board fulfilled the independence criteria specified in the Act of 11 May 2017 on statutory auditors, audit firms and public supervision and had no real and significant links with a Shareholder holding at least 5% of the total number of votes in the Company.”

16) in the existing § 28, clause 1 shall be given the following wording:

“1. In matters other than regulated in these By-Laws, the relevant provisions of law, the provisions of the Articles of Association and the principles adopted for application by the Company under the Best Practice shall apply.”

2. The substantiation of the proposed amendments to the Company’s General Meeting By-Laws, 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 General Meeting By-Laws, 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 BY-LAWS OF THE GENERAL
MEETING**

The Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) by its Resolution No. 13/1834/2021 of 29 March 2021, adopted the "Best Practice for WSE Listed Companies 2021" (hereinafter: Best Practice), constituting corporate governance rules for joint-stock companies that are issuers of shares, convertible bonds or bonds with priority rights which are admitted to trading on a regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange). The aforementioned Best Practice shall enter into force as of 1 July 2021. The purpose of the Best Practice is to enhance the quality and increase the transparency of the Polish capital market.

The Best Practice includes, among others, principles relating to climate protection, sustainable development, diversity in the composition of company governing bodies and equality of wages. The new rules also cover such topics as the method of profit distribution, the issue of shares excluding the pre-emptive rights and the repurchase of own shares. Some of the principles of the Best Practice refer to the supervisory board or its members or to the general meeting or directly to the shareholders.

Therefore, the amendment to the Regulations of the General Meeting of TAURON Polska Energia S.A. is justified by the adjustment of its provisions to the principles of the Best Practice referring to the General Meeting and to the Company shareholders.

The proposed amendments to the Regulations of the General Meeting relate to the following principles of the Best Practice or the provisions of the Code of Commercial Companies:

- 1) the addition of clause 3 in the existing §4 is aimed to ensure the application of principles 4.6. and 4.7. of the Best Practice, stipulating the inclusion of the justification in draft resolutions of the General Meeting concerning issues and decisions other than those of procedural nature and on issuing an opinion by the Supervisory Board on draft resolutions included on the agenda by the Management Board,
- 2) the addition of clause 9 in the existing §4 is aimed to ensure the application of principle 4.8. of the Best Practice, which stipulates that shareholders should submit draft resolutions concerning issues included on the agenda no later than 3 days before the General Meeting,
- 3) the addition of clauses 2 and 3 in the existing §6 is aimed to ensure the application of principles 4.2. and 4.3. of the Best Practice aimed at determining the place and time limit as well as the form of the general meeting in such a way as to enable the largest possible number of shareholders to participate in the meeting and providing for generally available real-time broadcast of the general meeting,
- 4) the amendment to §7 is aimed at adjusting the wording of the Regulations to the content of the amended §1 in Article 407 of the CCC, to enter into force on 1 July 2021 and pursuant to which the list of shareholders authorised to participate in the General Meeting is prepared and signed by the Management Board, on the basis of a list prepared and made available by the entity maintaining the securities depository,
- 5) the addition of clause 6 in the existing §19 is aimed to ensure the application of principle 4.13. of the Best Practice determining the premises which should occur in the case of adopting the resolution on the new issue of shares with the exclusion of the pre-emptive

right, which simultaneously grants the priority right to subscribe for new issue shares to selected shareholders or other entities,

- 6) the amendment to clause 3(1) in §24 is aimed at ensuring the application of rule 4.9 of the Best Practice regarding the submission of candidates for members of the supervisory board no later than 3 days before the general meeting and stipulating that a candidate for a member of the supervisory board should submit a declaration regarding the compliance with the requirements for members of the audit committee set out in the Act of 11 May 2017 on statutory auditors, audit firms and public supervision as well as in the scope of the existence of real and significant links between the candidate and a shareholder holding at least 5% of the total number of votes in the company,
- 7) the addition of clauses 5 and 6 to §24 is aimed at complementing the provisions of the Regulations with the instructions included in principle 2.2 of the Best Practice concerning the assurance of the versatility of the supervisory board by means of election to its composition of persons ensuring diversity, allowing among others for the achievement of the target ratio of the minimum minority shareholding set at the level of not less than 30%, in accordance with the objectives set out in the diversity policy adopted in the company and included in principle 2.3 of the Best Practice providing that the general meeting, while electing members of the supervisory board, should ensure that at least two members of the supervisory board meet the criteria of independence.

The Supervisory Board of TAURON Polska Energia S.A., by its resolution no. 47/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 Regulations of the General Meeting of TAURON Polska Energia S.A. expressed in the Resolution of the Management Board no. 106/VI/2021 of 20 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