



**REPORT ON THE REMUNERATION  
OF MEMBERS OF THE MANAGEMENT BOARD AND  
THE SUPERVISORY BOARD  
OF TAURON POLSKA ENERGIA S.A.  
FOR 2021**

30 March 2022

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## 1. Foreword

This Report on the remuneration of the Management Board and the Supervisory Board of TAURON Polska Energia S.A. for the financial year 2021 (hereinafter referred to as: the “Remuneration Report”) was adopted by the Supervisory Board of TAURON Polska Energia S.A. (hereafter referred to as: “TAURON” or “the Company”) and, according to its assessment, complies with the requirements defined in Article 90g of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to the Organised Trading, and Public Companies (consolidated text, Journal of Laws 2021, item 1983) (hereinafter referred to as: “the Act on Public Offering”).

The Remuneration Report has been prepared following a comprehensive review of remuneration, including all benefits, in whatever form, received by individual Members of the Management Board and the Supervisory Board or due to individual Members of the Management Board and the Supervisory Board in the financial year 2021. In the framework of the aforementioned remuneration review, the compliance of the remuneration received by Members of the Management and the Supervisory Board in 2021 with the Remuneration Policy for Members of the Management Board and the Supervisory Board in TAURON Polska Energia S.A. was assessed (hereafter referred to as: the “Remuneration Policy”) as adopted by the General Meeting of the Company pursuant to Resolution no. 26 on 15 July 2020 and published on the Company website: <https://www.tauron.pl/tauron/relacje-inwestorskie/informacje-o-spolce/dokumenty-spolki>

The subject of the Remuneration Report covers the principles of determining and the structure of the remuneration of Members of the Management Board and the Supervisory Board the Company in the financial year 2021, with special reference to the level of the total remuneration of individual Members of the Management Board, broken down into fixed and variable remuneration dependent on the achievement of certain management objectives. Moreover, the value of additional cash and non-cash benefits granted to Members of the Management Board and the value of benefits received by Members of the Management Board in connection with the termination of the contract for the provision of management services and compliance with the non-competition clause were also provided.

The Remuneration Report does not contain any personal data of Members of the Management Board and the Supervisory Board referred to in Article 9(1) of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 04.05.2016, p. 1, as amended).

## 2. Remuneration rules for Members of the Management Board

The remuneration rules for Members of the Management Board applied by the Company in the period covering the 2021 financial year were compliant with the Remuneration Policy. The said rules were also compliant with Resolution No. 5 of the Extraordinary General Meeting of the Company of 15 December 2016, as amended by Resolution No. 5 of the Extraordinary General Meeting of the Company of 21 November 2019, regarding the principles of development of remuneration for Members of the Management Board and with the Act of 9 June 2016 on the rules concerning formation of remuneration for persons managing some companies as well as with the Best Practice for WSE Listed Companies in force in 2021.

The remuneration system for Members of the Management Board is incentive-based, consisting of a monthly fixed remuneration and a variable remuneration, depending on the level of achievement of the management objectives determined. The variable remuneration of Members of the Management Board depends on the achievement of the following financial ratios: EBITDA and Net Debt/EBITDA defined in the Material and Financial Plan for the particular financial year and the implementation of the TAURON Group Strategy and investment tasks in the long term, which contributes to the achievement of long-term results of the Company and the Capital Group. The Remuneration Policy, striving to link the variable remuneration of Members of the Management Board with the long-term results achieved by the Company defined, among others, one of the management objectives comprising the implementation of the Capital Group Strategy, investment in accordance with the schedule and budget optimal from the point of view of profitability of the projects and the standing of the Capital Group. In the framework of the aforementioned general objective, the Supervisory Board sets specific Management Objectives to be achieved by Members of the Management Board in the particular financial year. Accordingly, the remuneration of Members of the Management Board contributes to the achievement of long-term results of the Company.

Pursuant to the contracts for the provisions of management services concluded for the term of office, Members of the Management Board received remuneration consisting of two parts: a fixed amount, representing the basic monthly remuneration (hereinafter referred to as “the Fixed Remuneration”) and a variable part (hereinafter referred to as “the Variable Remuneration”), representing supplementary remuneration for the financial year of the Company, dependent on the level of achievement of the Management Objectives defined in the Remuneration Policy and specified in detail by the Supervisory Board.

A given Member of the Management Board shall be entitled to receive the Variable Remuneration after the approval of the report of the management board on operations of the company and the financial statements for the previous financial year as well as the discharge of the member’s duties by the General Meeting.

The Variable Remuneration depends on the level of achievement of Management Objectives and it shall not exceed 60% of the Fixed Remuneration. The Extraordinary General Meeting of the Company, by Resolution No. 5 of 21 November 2019, established the following general Management Objectives:

- a) reaching the EBITDA ratio at a level approved in the Material and Financial Plan for a given financial year,
- b) reaching the Net Debt/EBITDA ratio at a level approved in the Material and Financial Plan for a given financial year,
- c) maintaining the rating of TAURON Polska Energia S.A. at an investment level,
- d) achieving the effects of implemented restructuring programmes or improving operational efficiency in the Capital Group,
- e) implementation of the investment strategy of the Capital Group in accordance with the approved schedule and budget optimal in terms of project profitability and the financial standing of the Capital Group,
- f) implementation of investment of key importance to energy security, in particular in the areas of energy generation and distribution, including the investment projects related to BAT, in the years 2020-2021,
- g) sales of new products (sales of energy-containing products and products with synergy effects to electricity and gas),

- h) improving quality indicators related to customer service or other operating indicators,
- i) increasing the innovativeness of the Capital Group through the execution of research, development, pilot projects and implementation, taking into account the effective use of funds allocated for this purpose.

Pursuant to the authorisation of the Extraordinary General Meeting of the Company, the Supervisory Board sets detailed Management Objectives for the financial year, including the determination of the weights of these objectives as well as the objective and measurable criteria for their implementation and settlement (KPIs).

The detailed Management Objectives determined by the Supervisory Board to be achieved by Members of the Management Board in 2021 met the criteria defined in the Remuneration Policy, i.e.: they covered both financial and non-financial objectives, they were defined in accordance with the SMART methodology and were precise, measurable, achievable, relevant and time-bound. The remuneration and bonus system for Members of the Management Board effective in the Company supports the implementation of strategic objectives and takes into account the level of the remuneration depending on the financial standing of TAURON Group and the Company in annual terms.

## 2.1. Remuneration level of Members of the Management Board and its compliance with the Remuneration Policy

The total remuneration of Members of the Management Board in 2021, broken down into fixed and variable components and other cash and non-cash benefits, is presented in the table below.

### Remuneration of members of the Company Management Board for 2021, broken down into components (PLN):

No.	Name and surname Period of holding the function	Total* remuneration <sup>1</sup>	Fixed remuneration <sup>1</sup>	Variable remuneration <sup>1</sup> for the achievement of KPIs in 2020.	Other cash and non-cash benefits <sup>1</sup>
1.	Artur Michałowski 5 August 2021 - 31 December 2021	302 099,31	302 099,31	-	-
2.	Patryk Demski 5 August 2021 - 31 December 2021	302 099,31	302 099,31	-	12 250,00 Subsidy for company housing
3.	Krzysztof Surma 5 August 2021 - 31 December 2021	302 099,31	302 099,31	-	15 104,98 PPE <sup>2</sup>
4.	Jerzy Topolski 1 January 2021 - 31 December 2021	945 755,82	739 835,04	205 920,78	47 287,84 PPE <sup>2</sup>
5.	Wojciech Ignacok 1 January 2021 - 28 February 2021	327 670,11 <sup>3</sup>	132 113,40	195 556,71	5 000,00 Subsidy for company housing
6.	Paweł Strączyński 1 April 2021 - 04 August 2021	273 034,36	273 034,36	-	9 166,66 Subsidy for company housing
7.	Marek Wadowski 1 January 2021 - 17 May 2021	726 682,51	281 548,38	445 134,13	36 334,15 PPE <sup>2</sup>
	Total	3 179 440,73	2 332 829,11	846 611,62	125 143,63

<sup>1</sup> excluding overheads

<sup>2</sup> Employee Pension Scheme

<sup>3</sup> does not include non-competition remuneration

\* Total fixed and variable remuneration

### Total remuneration

The total remuneration referred to in the above table received by Members of the Management Board in 2021 is compliant with the Remuneration Policy.

### Fixed remuneration

The amount of the monthly Fixed Remuneration was determined by the Supervisory Board in the range of 7 to 15-fold the basis of the assessment referred to in Article 1(3)(11) of the Act of 9 June 2016 on the rules concerning formation of remuneration for persons managing some companies.

### Variable remuneration

The Supervisory Board determined the fulfilment of the terms of the Variable Remuneration by individual Members of the Management Board, for whom Management Objectives were defined for the financial year 2020 and who fulfilled functions in the financial year under assessment, by defining the amount due based on financial statements for 2020 verified by statutory auditors and other documents, depending on determined objectives.

The Variable Remuneration was re-calculated on a pro rata basis, depending on the number of days the management services were provided by Members of the Management Board in a particular financial year.

The expiry of the mandate of a Member of the Management Board assessed in terms of the achievement of the Management Objectives in 2020, shall not result in the loss of the right to the Variable Remuneration, provided that the time in office in the assessed financial year was longer than 3 three months.

The Supervisory Board assessed the level of achievement of the specific financial and non-financial Management Objectives, following the approval of the financial statements of the Company and the Management Board's report on the Company operations for 2020 by the Annual General Meeting on 24 May 2021 and the discharge of the individual Members of the Management Board for the performance of their duties in 2020.

The level of fulfilment of financial Management Objectives was assessed based on the consolidated financial statements of TAURON Polska Energia S.A. Group for 2020 audited by the statutory auditor, whereas the assessment of the level of achievement of other non-financial Management Objectives was based on the documents and information specified in the measurement method.

As a result of the analysis and assessment of the fulfilment by the Company of specific items of the TAURON Group material and financial plan for 2020, the Supervisory Board concluded that the levels of financial Management Objectives set by the Supervisory Board, determining the allocation of a certain part of the Variable Remuneration for 2020, were achieved to the following extent: EBITDA at the level approved in the Material and Financial Plan for a given financial year: 127%, the Net Debt/EBITDA ratio at a level approved in the Material and Financial Plan for a given financial year: 134%.

Based on the Report of the Management Board of TAURON Polska Energia S.A. on the fulfilment of the Management Objectives set for implementation in 2020 for the Management Board of the 5th and 6th term of office, presented to the Supervisory Board, as well as source

documents on the fulfilment of non-financial Management Objectives, the Supervisory Board assessed which non-financial objectives were achieved in 100% and which were not.

At the same time, the Supervisory Board concluded that the Management Objectives set for implementation by all Members of the Management Board as joint objectives, concerning the application of the principles for remuneration for members of the management and supervisory bodies defined in the Act of 9 June 2016 on the rules concerning formation of remuneration for persons managing some companies and the implementation of other obligations referred to in Articles 17-20, Article 22 and Article 23 of the Act of 16 December 2016 on the principles for managing state assets, were implemented in 100%.

The Variable Remuneration for the achievement of the Management Objectives in 2020 paid in 2021 in the following cases, amounted to:

- Mr Wojciech Ignacok - PLN 195 556,71 which represents 54% of the basic remuneration paid in 2020.
- Mr. Jerzy Topolski PLN 205 920,78 which represents 60% of the basic remuneration paid in 2020.
- Mr Marek Wadowski PLN 445 134,13, which represents 60% of the basic remuneration paid in 2020.
- Mr Filip Grzegorzczuk - PLN 219 500,01 which represents 51% of the basic remuneration paid in 2020.

#### *Other cash and non-cash benefits*

In accordance with the Remuneration Policy, in 2021, Members of the Management Board were entitled to receive the following additional cash and non-cash benefits:

- 1) covering by the Company of the basic contribution due to participation of a Member of the Management Board in the Employee Pension Scheme (PPE) implemented in TAURON pursuant to the Act on Employee Pension Schemes of 20 April 2004, under the terms and conditions provided for in the Company Agreement concluded on 25 September 2008 (the benefit is granted after one year of performing the function of a Member of the Management Board or employment in TAURON Group Companies),
- 2) refinancing or covering by the Company of costs of individual training, including learning foreign languages, participation in postgraduate studies or other forms of education, up to PLN 15,000 net per calendar year,
- 3) use of a company vehicle for commuting from the place of residence to the premises of the Company and for private purposes (against payment), under the terms and conditions defined in the resolution of the Supervisory Board.

In connection with permanent residence at a considerable distance from the premises of the Company, the Supervisory Board granted a housing subsidy of PLN 2,500.00 gross per month to Wojciech Ignacok, President of the Management Board and Vice-President of the Management Board for Strategy and Development, Patryk Demski.

In the reporting period no cases of claims for reimbursement of variable remuneration components by Members of the Company Management Board occurred.

Members of the Management Board did not receive any remuneration from entities belonging to TAURON Capital Group within the meaning of the Accounting Act of 29 September 1994.

In the reporting period, no financial instruments were granted or offered to Members of the Management Board.

No cash or non-cash benefits were also granted to any relatives of Members of the Management Board.

The Supervisory Board did not take any decisions on temporary waiver of application of the Remuneration Policy implemented and derogations applied pursuant to Article 90f of the Act on Public Offering.

In connection with the termination of the agreements for the provision of management services, Members of the Management Board are entitled to a severance payment in the maximum amount not exceeding 3-fold Fixed Remuneration due to having served in the capacity of a Member of the Management Board over a period of at least 12 months prior to the termination of the agreement. No severance pay was paid in the reporting year.

Furthermore, after the termination of their service on the Company Management Board, Members of the Management Board were entitled to receive a remuneration for a period of 6 months in connection with compliance with the non-competition clause. The amount of the remuneration for each month of adherence to the non-competition clause did not exceed 50% of the Fixed Remuneration.

The table below shows the level of cash benefits paid in 2021 to former Members of the Management Board in connection with the termination of agreements for the provision of management services.

#### Cash benefits paid to former Members of the Management Board in 2021 (in PLN):

No.	Name and surname expiry date of the mandate (as of)	Variable remuneration <sup>1</sup> for the achievement of KPIs in 2020.	Non-competition clause <sup>1</sup>	Other cash and non-cash benefits <sup>1</sup>
1.	Filip Grzegorzczak 14 July 2020	219 500,01	-	10 975,00
2.	Jarosław Broda 14 July 2020	-	30 826,46	1 541,32
3.	Wojciech Ignacok 28 February 2021	-	198 170,10	-
	Total	219 500,01	228 996,56	12 516,32

<sup>1</sup> excluding overheads

## 2.2. Performance criteria applied

With a view to linking the Variable Remuneration of Members of the Management Board with the financial results of TAURON Group, while adopting the 2020 Remuneration Policy, the General Meeting indicated two important indicators: EBITDA and Net debt/ EBITDA.

In connection with the foregoing, the Variable Remuneration of Members of the Management Board is conditional, inter alia, on the fulfilment of financial objectives, comprising the achievement of the EBITDA ratio and the Net Debt / EBITDA ratio at the level approved in the Material and Financial Plan for a particular financial year. On the other hand, the remaining Management Objectives are linked with the implementation of the business strategy and long-term strategic objectives.

While selecting the aforementioned indicators, their material importance in the assessment of the economic and financial situation of the Company and the Capital Group was taken into account.

EBITDA is one of the most widely recognised measures of profitability of an enterprise business activities. The measure used by TAURON Group in the management of its operations comprises the operating result increased by depreciation and write-downs on non-financial assets. TAURON Group recognises write-downs on non-financial assets of entities consolidated using the full method and share in write-downs on non-financial assets of entities measured using the equity method as write-downs on non-financial assets. EBITDA broken down into individual business segments of TAURON Group comprises profit (loss) before tax and financial income (expenses) by segment, increased by depreciation and write-downs on non-financial assets related to individual segments. It is a financial category which is commonly used in the capital market in Poland and worldwide. This category is used, among others, by listed companies, analysts as well as business and financial press.

On the other hand, the Net Debt / EBITDA ratio is classified as one of the debt (solvency) ratios. In light of financing agreements concluded by TAURON, net debt means the financial debt of TAURON Group less cash and cash equivalents and short-term investments with a maturity of up to 1 year, as well as the TAURON Group's debt resulting from subordinated bonds issued. The concept of financial debt is precisely defined in TAURON's financing agreements and includes the obligation of TAURON Group to pay or, as the case may be, repay funds (including the principal amount and interest) arising principally from loans and borrowings taken out and debt securities issued, certain contingent liabilities and accession to debt constituting a liability, as well as lease and receivables factoring agreements (with the exception of receivables disposed of without recourse).

In accordance with the principles of the bonus system for Members of the Company Management Board, the EBITDA result of the Capital Group and the Net Debt / EBITDA ratio at the Capital Group level are the criteria used for assessing the effectiveness of their work and the results achieved.

### **2.3. Information on the change of the remuneration, results of the Company and TAURON Group, the average remuneration of employees**

In this information, based on the exemption referred to in Article 90g(3) of the Act on Public Offering, it was decided to omit information for financial years for which the Supervisory Board was not required to prepare the Remuneration Report.

In 2021, the Supervisory Board did not change the amount of the Fixed Remuneration of Members of the Company Management Board and the rules concerning the Variable Remuneration, dependent on the level of achievement of the Management Objectives assigned.

The remuneration system for the Company employees, like that for the Members of the Management Board, is of an incentive nature, consisting of the monthly fixed remuneration and the variable remuneration which depends on the level of achievement of the bonus targets assigned. The variable remuneration of employees acting in the capacity of Directors and Managers depends, among others, on the financial results achieved.

The average total remuneration of employees (who are not Members of the Management Board or the Supervisory Board), in total, employed by the Company under an employment contract in 2021 increased by 7.78% compared to the average remuneration in 2020.

The analysis of the increase in the average total remuneration broken down by employees of the Company acting in the capacity of Directors and Managers and holding other positions, indicates an increase in the average remuneration in 2021 by approximately 4% compared to 2020 in the group of employees acting in the capacity of Directors and Managers, while for other positions, the average remuneration increased by approx. 12% compared to 2020.

The table below shows the change, in year-on-year terms, in the remuneration of the Management Board and the Supervisory Board, results of the Company and TAURON Group and the average remuneration of employees in 2021.

**Change in remuneration, results of the Company and TAURON Group and the average remuneration of employees in 2021 (in PLN):**

	2019	Year-on-year change	2020	Year-on-year change	2021
Total remuneration of the Management Board <sup>1</sup>	4 540 326,91	-21,48%	3 564 994,60	-10,81%	3 179 440,73
Average number of Management Board Members	3,73	-19,57%	3,00	+3,67%	3,11
Average monthly total remuneration of a Management Board Member	101 437,15	-2,38%	99 027,63	-8,03%	91 075,58
Fixed remuneration of members of the Supervisory Board	789,626.16	-25,59%	587 535,76	-2,18%	574 726,48
Average number of Supervisory Board Members	8,65	-19,41%	6,97	+2,20%	7,12
Average monthly remuneration of a Supervisory Board Member	7 611,45	-7,67%	7 027,40	-4,29%	6 725,92
Average monthly salary of the Company employees other than Members of the Management Board and the Supervisory Board <sup>2</sup>	12 761	+1,17%	12 910	+7,78%	13 914
Company EBITDA [PLN million]	114	-1 009	(895)	952	57
TAURON Group EBITDA [PLN M]	3 599	627	4 226	-74	4 152
Net debt / EBITDA ratio of TAURON Group	2,8	-0,3x	2,5	-0,1x	2,4

<sup>1</sup> Total fixed and variable remuneration paid during the period

<sup>2</sup> Calculated as remuneration paid without taking into account remuneration for unused leave and severance pay

The EBITDA result, calculated on the basis of the consolidated financial statements of TAURON Group, decreased from PLN 4 226 million for 2020 to PLN 4 223 million for 2020, i.e. by PLN 4 152 million.

EBITDA calculated on the basis of the standalone financial statements of TAURON Polska Energia S.A. increased from PLN (895) million in 2020 to PLN 57 million for 2021.

The Net Debt / EBITDA ratio calculated on the basis of the TAURON Group consolidated financial statements also improved from 2.5x to 245x, i.e. by 0.1x.

### **3. Rules and level of the remuneration of Members of the Supervisory Board**

The rules governing the remuneration of Members of the Supervisory Board applied by the Company in the period covering the financial year 2021 were compliant with the Remuneration Policy and with Resolution No. 6 of the Extraordinary General Meeting of the Company of 15 December 2016, as amended by Resolution No. 6 of the Extraordinary General Meeting of the Company of 21 November 2019.

In the reporting period, no changes were introduced in the rules of remuneration of Members of the Supervisory Board, including the amount of monthly remuneration.

During the period covered by this Remuneration Report, Members of the Supervisory Board received remuneration on the basis of their appointment to the Supervisory Board by the General Meeting or by the State Treasury under their statutory personal powers.

The remuneration of Members of the Supervisory Board is of a single component nature, comprising monthly remuneration, irrespective of the number of meetings convened in a given month. Consequently, the remuneration rules for Members of the Supervisory Board are not linked to the performance of the Company, either on an annual or a long-term basis.

A Member of the Supervisory Board shall not be eligible to receive the remuneration for the month in which he/she was not present at any of the duly convened meetings, where the absence was not justified. The decision on excusing or failure to excuse the absence of a Member of the Supervisory Board at a meeting shall be taken by the Supervisory Board by way of a resolution.

If a Member of the Supervisory Board is appointed or dismissed during a calendar month, the remuneration shall be calculated on a pro rata basis, against the number of days he/she held the position.

In the reporting period, no cases of claims for reimbursement of remuneration components by Members of the Company Supervisory Board occurred.

Members of the Supervisory Board did not receive any remuneration from entities belonging to TAURON Capital Group within the meaning of the Accounting Act of 29 September 1994.

In the reporting period, no financial instruments were granted or offered to Members of the Supervisory Board.

No cash or non-cash benefits were also granted to any relatives of Members of the Supervisory Board.

In 2021, Members of the Supervisory Board, pursuant to the provisions of the Articles of Association of the Company, were covered for the costs related to the performance of the functions assigned to them by Members of the Supervisory Board, i.e. return travel from/to their place of residence to/from the place where the meeting of the Supervisory Board or the meeting of the Supervisory Board Committee is held, including the costs of accommodation and meals.

The table below presents the level of the total remuneration of Members of the Company Supervisory Board in 2021

## Remuneration of Members of the Company Supervisory Board in 2021 (in PLN thousand)

No.	Name and surname	Period of holding the function	Fixed remuneration <sup>1</sup>
1.	Piotr Tutak	16 November 2021 - 31 December 2021	10 847,98
2.	Teresa Famulska	1 January 2021 - 31 December 2021	79 268,04
3.	Katarzyna Taczanowska	1 January 2021 - 31 December 2021	79 268,04
4.	Stanisław Borkowski	24 May 2021 - 31 December 2021	47 944,38
5.	Leszek Koziorowski	24 May 2021 - 31 December 2021	47 944,38
6.	Ryszard Madziar	1 January 2021 - 31 December 2021	79 268,04
7.	Grzegorz Peczkis	1 January 2021 - 31 December 2021	79 268,04
8.	Marcin Wawrzyniak	6 April 2021 - 31 December 2021	58 350,08
9.	Barbara Piontek	1 January 2021 - 28 February 2021	13 211,34
10.	Andrzej Kania	1 January 2021 - 18 November 2021	79 356,16
Total			574 726,48

<sup>1</sup> excluding overheads

In 2021, pursuant to the resolution of the Extraordinary General Meeting of TAURON of 21 December 2019, Members of the Supervisory Board received a monthly remuneration determined as a product of the basis of the assessment referred to in Article 1(3)(11) of the Act of 9 June 2016 on the rules concerning formation of remuneration for persons managing some companies and the multiplier:

- 1) for the Chairperson of the Supervisory Board – 1.7
- 2) for other Members of the Supervisory Board – 1.5

The level of the remuneration of Members of the Supervisory Board in 2021 did not change in relation to 2020. In connection with the determination in Article 15 of the Act of 19 November 2020 on special solutions for the implementation of the Budget Act for 2021, the basis of the assessment of the remuneration of Members of the Supervisory Board referred to in Article 1(3)(11) of the Act of 9 June 2016 on the rules concerning formation of remuneration for persons managing some companies was still the average monthly remuneration in the enterprise sector excluding payments of the profit bonus in the fourth quarter of 2016.

### 4. Consideration of the Resolution of the General Meeting of the Company relating to the previous Remuneration Report

The Report on remuneration of the Management Board and the Supervisory Board of TAURON Polska Energia S.A. for the financial years 2019 - 2020 was submitted to the Ordinary General Meeting of the Company, which, by Resolution No. 30 of 24 May 2021, issued a positive opinion, without any comments on the content of the aforementioned Report.

## 5. Conclusion

The Remuneration Report was prepared after the review of the remuneration performed by the Supervisory Board, including all benefits due to and received by individual members of the Management Board and the Supervisory Board in the financial year 2021 and, in the opinion of the Supervisory Board, all information required by the Act on Public Offering has been included herein.

The Remuneration Report was subject to the assessment by the statutory auditor with regard to the inclusion of the required information pursuant to Article 90g(1)-(5) and (8) of the Act on Public Offering.

The Supervisory Board shall submit this Remuneration Report to the Ordinary General Meeting for the purpose of obtaining its opinion in the form of a resolution which is of advisory nature.

Following the conclusion of the Annual General Meeting, the Remuneration Report will be posted on the TAURON website, where it will be made available free of charge for at least 10 years.

30 March 2022

*Signatures of Members of the Supervisory Board:*

Chairman of the Supervisory Board- Piotr Tutak .....

Vice-Chairperson of the Supervisory Board - Teresa Famulska .....

Secretary of the Supervisory Board - Katarzyna Taczanowska .....

Member of the Supervisory Board - Stanisław Borkowski .....

Member of the Supervisory Board - Dariusz Hryniów .....

Member of the Supervisory Board - Leszek Kozirowski .....

Member of the Supervisory Board - Ryszard Madziar .....

Member of the Supervisory Board - Grzegorz Peczkis .....

Member of the Supervisory Board - Marcin Wawrzyniak .....