



**REPORT ON THE REMUNERATION
OF MEMBERS OF THE MANAGEMENT BOARD
AND THE SUPERVISORY BOARD
OF TAURON POLSKA ENERGIA S.A.
FOR 2024**

15 April 2025

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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 2024 (further: "Remuneration Report") was adopted by the Supervisory Board of TAURON Polska Energia S.A. (further: "TAURON" or "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 (as amended) (further: "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 2024. As part of the aforementioned remuneration review, the compliance of the remuneration received by Members of the Management and the Supervisory Board in 2024 with the Remuneration Policy for Members of the Management Board and the Supervisory Board in TAURON Polska Energia S.A. was assessed as adopted by the General Meeting of the Company pursuant to Resolution no. 26 of 15 July 2020 and amended pursuant to Resolution of the General Meeting no. 5 of 3 September 2024. The updated Remuneration Policy has been published on the Company's website: <https://en.auron.pl/investor-relations/our-company/corporate-documents>

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 2024, 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 compensation 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 section 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) (Official Journal of EU L 119, 04.05.2016, p. 1, as amended).

2. Changes in the composition of the Management and the Supervisory Board

Changes in the composition of the Company's Management Board

The composition of the Management Board of the Company of the 7th joint term of office as of 31 December 2024 and until the date of preparation of this report is as follows:

1. Grzegorz Lot - President of the Management Board,
2. Piotr Gołębowski - Vice President of the Management Board for Trade,
3. Michał Orłowski - Vice President of the Management Board for Asset Management and Development,
4. Krzysztof Surma - Vice President of the Management Board for Finance.

In the period from 1 January 2024 until 13 February 2024 the composition of the Management Board of the Company was as follows: Paweł Szczeszek (President of the Management Board), Patryk Demski (Vice President of the Management Board for Strategy and Development), Bogusław Rybacki (Vice President of the Management Board for Asset Management), Krzysztof Surma (Vice President of the Management Board for Finance), Tomasz Szczegieliński (Vice President of the Management Board for Trade) and Artur Warzocha (Vice President of the Management Board for Corporate Affairs).

As of 13 February 2024 the Supervisory Board of TAURON Polska Energia S.A. dismissed Paweł Szczeszek, Patryk Demski, Bogusław Rybacki, Tomasz Szczegieliński and Artur Warzocha from the Management Board of the Company. At the same time the Supervisory Board of the Company delegated member of the Supervisory board Ms. Karolina Mucha-Kuś to temporarily act as the President of the Management Board starting 14 February 2024.

In the period from 14 February 2024 to 6 March 2024, the composition of the Company's Management Board was as follows: Karolina Mucha-Kuś (acting President of the Management Board) and Krzysztof Surma (Vice President of the Management Board for Finance).

Following the qualification procedure for the positions in the Management Board of TAURON Polska Energia S.A., the Supervisory Board appointed Grzegorz Łot, Piotr Gołębiowski, Michał Orłowski, and Krzysztof Surma as members of the Company's Management Board of the 7th joint term of office, as of 7 March 2024.

The Supervisory Board of the Company, before adopting the above resolutions, dismissed Krzysztof Surma (Vice President of the Management Board for Finance) from the Management Board of the Company, effective 6 March 2024.

Due to the end of the 6th joint term of office of the Management Board of TAURON Polska Energia S.A. on 31 December 2023 the Company's Supervisory Board prior to adopting the abovementioned resolutions, dismissed Krzysztof Surma – Vice President of the Management Board for Finance from the Company's Management Board and adopted resolution to end temporary performance of duties of the President of the Management Board by delegated member of the Supervisory Board – Karolina Mucha-Kuś as of 6 March 2024.

There were no other changes in the composition of the Company's Management Board as of the date of preparation of this report.

The table below shows the period of holding functions by individual members of the Management Board.

Period in which individual Management Board members held their functions

No.	Name and surname	Function performed in the Management Board	Period of holding function as member of Management Board
1.	Grzegorz Łot	President of the Management Board	07.03.2024 – now
2.	Piotr Gołębiowski	Vice President of the Management Board for Trade	07.03.2024 – now
3.	Michał Orłowski	Vice President of the Management Board for Asset Management and Development	07.03.2024 – now
4.	Krzysztof Surma	Vice President of the Management Board for Finance	05.08.2021 – 06.03.2024 07.03.2024 – now
5.	Karolina Mucha-Kuś	acting President of the Management Board	14.02.2024 – 06.03.2024
6.	Paweł Szczeszek	President of the Management Board	11.04.2022 – 13.02.2024

7.	Patryk Demski	Vice President of the Management Board for Strategy and Development	05.08.2021 – 13.02.204
8.	Bogusław Rybacki	Vice President of the Management Board for Asset Management	09.09.2022 – 13.02.204
9.	Tomasz Szczegieliński	Vice President of the Management Board for Trade	06.09.2022 – 13.02.204
10.	Artur Warzocha	Vice President of the Management Board for Corporate Affairs	21.01.2022 – 13.02.204

Changes in the composition of the Supervisory Board

The composition of the Supervisory Board of the Company of the 7th joint term of office as of 31 December 2024 and until the date of preparation of this report is as follows:

- | | |
|--|-----------------------------|
| 1. Chair of the Supervisory Board | – Sławomir Smyczek, |
| 2. Vice Chair of the Supervisory Board | – Natalia Klima-Piotrowska, |
| 3. Secretary of the Supervisory Board | – Piotr Kołodziej, |
| 4. Member of the Supervisory Board | – Mariusz Bąbol, |
| 5. Member of the Supervisory Board | – Michał Hulbój, |
| 6. Member of the Supervisory Board | – Beata Kisielewska, |
| 7. Member of the Supervisory Board | – Leszek Kozirowski. |

In the period from 1 January 2024 to 25 January 2024, the composition of the Supervisory Board of the Company was as follows: Piotr Tutak (Chair of the Supervisory Board), Teresa Famulska (Vice Chair of the Supervisory Board), Marcin Wawrzyniak (Secretary 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), and Grzegorz Peczkis (Member of the Supervisory Board).

The Minister of State Assets, acting pursuant to § 23 section 1 item 3) of the Company's Articles of Association:

- on 25 January 2024 dismissed Piotr Tutak, Marcin Wawrzyniak, Dariusz Hryniów, and Ryszard Madziar from the Company's Supervisory Board,
- on 25 January 2024 appointed Sławomir Smyczek, Natalia Klima-Piotrowska, Karolina Mucha-Kuś, and Katarzyna Masłowska to the Company's Supervisory Board,
- on 5 February 2024 dismissed Teresa Famulska from the Company's Supervisory Board,
- on 5 February 2024 appointed Piotr Kołodziej to the Company's Supervisory Board.

The Supervisory Board of the Company delegated, as of February 14, 2024, Karolina Mucha-Kuś, Member of the Supervisory Board, to temporarily perform the duties of the President of the Management Board, which ended on March 6, 2024.

Member of the Supervisory Board Leszek Kozirowski submitted his resignation from being a member of the Supervisory Board as of the end of 2 April 2024. The rationale behind this decision was to enable appointment of the full composition of the Supervisory Board of the new 7th term of office at the Extraordinary General Meeting of the Company convened for 3 April 2024 in connection with the expiry of the previous (6th) term of office of the Supervisory Board on 31 December 2023.

On 3 April 2024 the Extraordinary general Meeting of TAURON Polska Energia S.A.:

- dismissed Grzegorz Peczkis from the Company's Supervisory Board,

- appointed Michał Hulbój, Leszek Koziorowski, Beata Kisielewska, and Krzysztof Tkaczuk to the Company's Supervisory Board.

Supervisory Board Member Karolina Mucha-Kuś resigned from her membership in the Supervisory Board as of 30 April 2024.

Supervisory Board Member Katarzyna Masłowska resigned from her membership in the Supervisory Board as of 7 June 2024.

The Extraordinary General Meeting of TAURON Polska Energia S.A. on September 3, 2024:

- dismissed Krzysztof Tkaczuk from the Supervisory Board of the Company,

- appointed Mariusz Bąbol to the Supervisory Board of the Company.

The Minister of State Assets, acting under § 23 sec. 1 item 3) of the Company's Articles of Association, on 17 February 2025, appointed Arkadiusz Jówko to the Supervisory Board of the Company.

Until the date of adoption of this report there were no other changes in the composition of the Supervisory Board.

The table below shows the period of holding functions by individual members of the Supervisory Board.

Period in which individual Supervisory Board members held their functions

No.	Name and surname	Function performed in the Supervisory Board	Period of holding function as member of Supervisory Board
1.	Sławomir Smyczek	Chair 01.02.2024 - now	25.01.2024 - now
2.	Natalia Klima-Piotrowska	Vice Chair 13.02 - now Secretary 01.02.2024 - 13.02.2024	25.01.2024 - now
3.	Piotr Kołodziej	Secretary 13.02.2024 - now	05.02.2024 - now
4.	Mariusz Bąbol	Member	03.09.2024 - now
5.	Michał Hulbój	Member	03.04.2024 - now
6.	Beata Kisielewska	Member	03.04.2024 - now
7.	Leszek Koziorowski	Member	24.05.2021 - 02.04.2024 03.04.2024 - now
8.	Arkadiusz Jówko	Member	17.02.2025 - now
9.	Krzysztof Tkaczuk	Member	03.04.2024 - 03.09.2024
10.	Katarzyna Masłowska	Member	25.01.2024 - 07.06.2024
11.	Karolina Mucha-Kuś	Member	25.01.2024 – 13.02.2024 (delegated to temporarily perform the duties of the President of the Management Board from 14.02.2024 to 06.03.2024) 07.03.2024 – 30.04.2024
12.	Grzegorz Peczkis	Member	06.12.2019 - 03.04.2024
13.	Teresa Famulska	Vice Chair 03.08.2020 – 05.02.2024	03.08.2020 – 05.02.2024
14.	Piotr Tutak	Chair 29.11.2021 - 25.01.2024	16.11.2021 - 25.01.2024
15.	Marcin Wawrzyniak	Secretary 10.06.2022 - 25.01.2024	06.04.2021 - 25.01.2024

No.	Name and surname	Function performed in the Supervisory Board	Period of holding function as member of Supervisory Board
16.	Dariusz Hryniów	Member	26.01.2022 - 25.01.2024
17.	Ryszard Madziar	Member	15.07.2020 - 25.01.2024

3. Remuneration Policy

As of 3 September 2024, the updated version of Remuneration Policy for Members of the Management Board and Supervisory Board of TAURON Polska Energia S.A. (further "Remuneration Policy") adopted by the Extraordinary General Meeting of the Company by Resolution No. 5 of 3 September 2024 applies.

Previous Remuneration Policy, adopted by Resolution No. 26 of the TAURON Ordinary General Meeting of 15 July 2020, amended by Resolution No. 31 of the TAURON Ordinary General Meeting of 24 May 2022, has become null and void.

Remuneration Policy defines objectives and principles of remunerating Members of the Management Board and Supervisory Board of the Company, taking into account and complying with the applicable provisions of Polish law, in particular the Act of 9 June 2016 on the principles of forming remunerations of persons managing selected companies. and EU law European Union, resolutions of the General Meeting and the Supervisory Board of the Company, provisions of the Best Practice for WSE Listed Companies and the Recommendations of the European Commission.

In accordance with Article 90e section 4 of the Act on Public Offering, in 2024 the Management Board reviewed the Remuneration Policy and submitted a motion to the General Meeting to adopt the updated TAURON Remuneration Policy, which was positively reviewed by the Supervisory Board by Resolution No. 112/VII/2024 dated 15 July 2024.

The updated Remuneration Policy has been adapted to the aspects related to the new regulations concerning non-financial reporting requirements and disclosure of information related to sustainable development (ESG), selected principles of the Best Practice of WSE Listed Companies affecting the level of remuneration of the Management Board and Supervisory Board, provisions of the Act on the principles of shaping remuneration and regulation of the decision-making process related to introducing changes to the Remuneration Policy and determining the scope of information disclosed in remuneration reports. Additionally, the catalogue of monetary and non-monetary benefits and costs incurred by the Company related to the provision of management services has been supplemented, the detailed principles and method of settlement of which are determined by the Supervisory Board.

The primary objectives of Remuneration Policy are:

- 1) Ensuring a coherent and motivating remuneration system for Management Board Members.
- 2) Linking remuneration principles with monitoring the fulfilment of adopted strategic plans and business objectives, in particular those related to the implementation of sustainable development objectives (ESG), company's long-term interests and implementation of financial plans.
- 3) Shaping the amount of remuneration of the Members of the Company's Management Board in connection with the implementation of management objectives.

- 4) Company's value growth through the professional development of top management.
- 5) Improving the remuneration system translating into the implementation of the Company's business strategy and development directions.
- 6) Contributing to the implementation of sustainable development objectives, in particular limiting the negative impact on the natural environment and ensuring the stable development of the Company.

4. Principles and amount of Management Board Members' remuneration

4.1. Compliance of the remuneration of Management Board Members with the adopted Remuneration Policy

The remuneration principles for Members of the Management Board applied by the Company in the period covering the 2024 financial year were compliant with:

- 1) The Remuneration Policy adopted by Resolution No. 26 of the Company's General Meeting of 15 July 2020 including amendment adopted by the Company's Ordinary General Meeting by Resolution No. 31 of 24 May 2022 and updated by the Resolution No. 5 of Extraordinary General Meeting of the Company of 3 September 2024.,
- 2) Resolution of the Ordinary General Meeting No. 30 of 24 May 2022 on shaping the remunerations of the Members of the Management Board of TAURON Polska Energia S.A.,
- 3) Resolution of the Supervisory Board No. 78/VI/2022 of 29 July 2022 as amended by Resolution of the Supervisory Board No. 123/VII/2024 of 13 September 2024. on shaping the remunerations of the members of the Management Board of TAURON Polska Energia S.A.,
- 4) The Act of 9 June 2016 on the principles of forming remunerations of persons managing selected companies. as well as with the Best Practice for WSE Listed Companies in force in 2024.

Pursuant to the contracts for the provision of management services concluded for the term of office, Members of the Management Board receive remuneration consisting of two parts: a fixed amount, representing the basic monthly remuneration (hereinafter referred to as "the Fixed Remuneration") and a variable part (further: "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.

Additionally Members of the Management Board are also entitled to additional monetary and non-monetary benefits, the scope and principles of which are defined by the Supervisory Board.

Fixed Remuneration

The amount of the Fixed Remuneration and the maximum amount of the Variable Remuneration of a Member of the Management Board are determined by the Supervisory Board in the form of a resolution. When determining the amount of the Fixed Remuneration and the Variable Remuneration, the Supervisory Board takes into account the provisions of the Remuneration Policy, in particular the management objectives, criteria and methods of meeting the criteria.

The Monthly Fixed Remuneration for the President of the Management Board and other Members of the Management Board was determined by the Supervisory Board in the amount ranging from 7 to 15 times the assessment base referred to in art. 1 sec. 3 item 11) of the Act of 9 June 2016 on the principles of shaping the remuneration of persons managing certain companies, taking into account the applicable detailed legal provisions shaping its amount, i.e. the Act of 16 January 2024 on special solutions for the implementation of the budget act for 2024.

The average monthly remuneration in the corporate sector without bonuses from profit in the fourth quarter of 2016 is used to determine the Fixed Remuneration of Members of the Management Board.

The above amounts of Fixed Remuneration are effective from 1 January 2017 and have not changed until the date of preparation of this report.

The Variable Remuneration

Variable Remuneration is paid provided that the Member of the Management Board achieves the Management Objectives in accordance with the resolution of the Supervisory Board, after the approval of the Management Board's Report on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the previous financial year (hereinafter: "Management Board's Report on the operations of the Company") and the Financial Statement of TAURON Polska Energia S.A. compliant with the International Financial Reporting Standards approved by the European Union for the previous financial year and (hereinafter: "Financial Statement of the Company") and the General Meeting has granted a discharge for the performance of his duties as Member of the Management Board. The amount of Variable Remuneration depends on the level of achievement of the Management Objectives. The maximum amount of Variable Remuneration may not exceed 100% of the of the annual Fixed Remuneration of a Member of the Management Board in the financial year for which the amount of Variable Remuneration due is calculated.

The General Management Objectives were indicated by the Extraordinary General Meeting of the Company in Resolution No. 5 of 3 September 2024 on the adoption of the updated "Remuneration Policy for Members of the Management Board and Supervisory Board of TAURON Polska Energia S.A." and by the Ordinary General Meeting of the Company in Resolution No. 30 of 24 May 2022 on the principles of shaping the remuneration of Members of the Management Board of TAURON Polska Energia S.A.:

is due to a given Member of the Management Board after approval of the Management Board's report on the company's activities and the Company's financial statements for the previous financial year and the discharge from the performance of duties by the General Meeting. The amount of the Variable Remuneration depends on the performance of Management Objectives. The maximum amount of the Variable Remuneration may not exceed 100% of annual Fixed Remuneration of a member of the Management Board in the previous financial year.

The Ordinary General Meeting of the Company, by Resolution No. 30 of 24 May 2022, updated the general Management Objectives that are effective as of 2023:

- 1) reaching the EBITDA ratio at a level approved in the Material and Financial Plan for a given financial year,

- 2) reaching the Net Debt/EBITDA ratio at a level approved in the Material and Financial Plan for a given financial year,
- 3) maintaining the rating of TAURON Polska Energia S.A. at an investment level,
- 4) achieving the effects of implemented restructuring programmes or improving operational efficiency in the Capital Group,
- 5) implementation of the 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,
- 6) implementation of investments of key importance to energy security, in particular in the areas of energy generation and distribution,
- 7) sales of new products (sales of energy-containing products and products with synergy effects to electricity and gas),
- 8) improving quality indicators related to customer service or other operating indicators,

The general Management Objectives are made more specific by the Supervisory Board which determines detailed tasks for a given financial year together with weights as well as objective and measurable criteria for their execution and settlement (KPI).

In defining the criteria, the Supervisory Board relies on the Principles for determining and dividing Management Objectives, their weights and criteria for performance and settlement, adopted on 29 July 2022 and updated on 13 September 2024.

In line with the abovementioned Principles, achievement of the KPI for a given Management Objective below the minimum value results in loss of right to Variable Remuneration for this objective. In the case of achievement of the KPI for a given Management Objective:

- equal to the minimum value – Member of the Management Board will be entitled to 90% of Variable Remuneration for that objective,
- between the minimum value and the reference value – Member of the Management Board will be entitled to between 90% and 100% of Variable Remuneration for that objective, calculated proportionally,
- equal or above the reference value – Member of the Management Board will be entitled to 100% of Variable Remuneration for that objective.

In the case of a Non-financial Management Objective:

- failure to achieve a given Non-financial Objective in line with independent and measurable criteria – Member of the Management Board will not be entitled to Variable Remuneration for the objective,
- achievement of a given Non-financial Objective in line with independent and measurable criteria – Member of the Management Board will be entitled to 100% of Variable Remuneration for that objective.

Management Objectives may be defined by the Supervisory Board individually for each member of the Management Board or may constitute joint objectives for all Management Board Members.

The Supervisory Board confirms meeting the conditions for payment of Variable Remuneration by individual Management Board Members for whom Management Objectives had been defined for the given year and who had held their functions in the financial year under evaluation, by defining the due amount based on financial statements verified by certified auditor and other documents, depending on the objective.

Variable Remuneration is calculated proportionally, depending on the number of days on which Management Board Members provide management services in a given year.

The expiry of the mandate of a Member of the Management Board assessed in terms of the achievement of the Management Objectives 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.

Other benefits (cash and non-cash)

In accordance with the adopted Remuneration Policy, Members of the Management Board have the opportunity to use additional cash and non-cash benefits, including:

- 1) participation in individual training and other forms of education, limited to PLN 15,000 net per year,
- 2) participation in the employee pension program under the terms and conditions applicable in the Company,
- 3) housing allowance up to PLN 3,000 gross per month in the case of permanent residence at a significant distance from the Company's registered office,
- 4) provision of a company car for use, including for private purposes under the terms and conditions specified in the resolution of the Supervisory Board,
- 5) coverage with medical services in the form of medical packages under the terms and conditions applicable in the Company,
- 6) coverage with group insurance under the terms and conditions applicable in the Company,
- 7) coverage of costs related to the purchase of a D&O (Directors and Officers) policy regarding civil liability insurance for Members of the Management Board.

Total remuneration

The amount of total remuneration received in 2024 by the Management Board Members was in line with the Remuneration Policy.

Severance payment and compensation for non-competition.

In the case of termination of the contract for the provision of management services, Management Board Members may be entitled to a severance pay in the amount not higher than three times the Fixed Remuneration, provided that the given member had been holding his or her function for at least 12 months prior to termination of the contract for management services.

Moreover, Management Board Member who had held his or her function on the Company's Management Board for at least 6 months is entitled to receive payment for complying with the non-competition for 6 months after he or she stops holding that function. The amount of the non-competition payment may not exceed 100% of the Fixed Remuneration in each month.

4.2. Remuneration paid to members of the Management Board in 2024

The total remuneration of Members of the Management Board in 2024, 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's Management Board paid in 2024,
broken down into components (PLN):**

No.	Name and surname Period of holding the function in 2024	Total remuneration* (TR)	Fixed Remuneration (FR)	Other benefits (Other)	Severance payment	Non- competition compensation	Ratio		TOTAL
							FR/TR	Other/T (~%)	
1.	Grzegorz Lot President of the Management Board 07.03.2024 – 31.12.2024	649,557.55	649,557.55	2,256.00 ⁴	-	-	100%	0.4%	651,813.55
2.	Piotr Gołębowski Vice President of the Management Board 07.03.2024 – 31.12.2024	606,253.71	606,253.71	30,312.72 ²	-	-	100%	5%	636,566.43
3.	Michał Orłowski Vice President of the Management Board 07.03.2024 – 31.12.2024	606,253.71	606,253.71	16,709.10 ⁴	-	-	100%	3%	622,962.81
4.	Krzysztof Surma Vice President of the Management Board 07.03.2024 – 31.12.2024	741,890.13	741,890.13	39,726.55 ^{2,4}	-	-	100%	5%	781,616.68
5.	Karolina Mucha-Kuś Acting President of the Management Board 14.02. 2024 – 06.03.2024	48,441.58	48 441,58	0	-	-	100%	0%	48,441.58 ⁵
6.	Paweł Szczeszek President of the Management Board 01.01.2024 - 13.02.2024	94,681.27	94,681.27	24,551.11 ²	198,170.10	396,340.20	100%	26%	713,742.68
7.	Patryk Demski Vice President of the Management Board 01.01.2024 - 13.02.2024	88,369.19	88,369.19	26,716.09 ^{2,3}	184,958.76	369,917.52	100%	30%	669,961.56
8.	Bogusław Rybacki Vice President of the Management Board 01.01.2024 - 13.02.2024	88,369.19	88,369.19	3,620.69 ³	184,958.76	369,917.52	100%	4%	646,866.16
9.	Tomasz Szczepielniak Vice President of the Management Board 01.01.2024 - 13.02.2024	88,369.19	88,369.19	22,914.36 ²	184,958.76	369,917.52	100%	26%	666,159.83
10.	Artur Warzocha Vice President of the Management Board 01.01.2024 - 13.02.2024	88,369.19	88,369.19	22,914.36 ²	184,958.76	369,917.52	100%	26%	666,159.83
		3,100,554.71	3,100,554.71	189,720.98	938,005.14	1,876,010.28			6,104,291.11

¹ Total fixed and Variable Remuneration

² PPE – Employee Pension Scheme excluding overheads

³ DMS – co-financing of accommodation

⁴ Training – individual training

⁵ Karolina Mucha-Kuś's remuneration presented in the table concerns only the period of serving as Acting President of the Management Board. Karolina Mucha-Kuś is currently employed at TAURON Polska Energia S.A. as Executive Director for Strategy, ESG and Regulation.

Lack of payment of Variable Remuneration for 2023

In 2024, the Variable Remuneration for 2023 was not paid to any Member of the Management Board included in the composition of the Management Board in 2023. The Annual General Meeting of the Company convened for 3 June 2024, continued after the break on 2 July 2024, did not adopt resolutions on granting a discharge to the Members of the Management Board for the performance of their duties as Members of the Management Board in the Company in the period from 1 January 2023 to 31 December 2023, due to the lack of a majority of votes cast in favor of the adoption of the resolutions.

Benefits paid in connection with the termination of contracts for the provision of management services

Due to the cancellation and termination of management service contracts in 2024, the Management Board Members: Paweł Szczeszek, Patryk Demski, Bogusław Rybacki, Tomasz Szczegielniak and Artur Warzocha were paid severance pay in the amount of three times the Fixed Remuneration for serving as Members of the Management Board for a period of at least 12 months before the termination of their contract.

In addition, the aforementioned Management Board Members received compensation for a period of 6 months in connection with compliance with the non-competition compensation. The amount of remuneration for each month of the non-competition did not exceed one monthly Fixed Remuneration.

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

In the reporting period, no additional cash or non-cash benefits were granted to the closest relatives of the Management Board Members.

In the reporting period, there were no cases of requests for reimbursement of variable remuneration components from the Management Board Members.

In the reporting period, the Management Board Members were not granted or offered financial instruments.

The Supervisory Board did not make any decisions on temporary waiver of the implemented Remuneration Policy or derogations applied in accordance with Article 90f of the Act on Public Offering.

4.3. Estimated value of Variable Remuneration for Members of the Management Board for the achievement of Management Objectives in 2024

The table below presents the potential Variable Remuneration that will be paid in 2025 in accordance with the management services agreement, in the event of achieving the Management Objectives determined for 2024 at the level of 100% and after approval of the Management Board Report on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2024 and the Financial Statements of TAURON Polska Energia S.A. for the year ended on 31 December 2024 in accordance with the International Financial Reporting Standards approved by the European Union, as well as after granting the Manager by the General Meeting of Shareholders of the Company a discharge for the performance of his duties as a Member of the Management Board.

No.	Name and surname	Period of holding function in the year of KPI performance	Maximum Variable Remuneration for performance of KPI
1.	Grzegorz Lot	07.03. – 31.12.2024	PLN 649,557.55
2.	Piotr Gołębiowski	07.03. – 31.12.2024	PLN 606,253.71
3.	Michał Orłowski	07.03. – 31.12.2024	PLN 606,253.71
4.	Krzysztof Surma	01.01. – 31.12.2024	PLN 741,890.13
			PLN 2,603,955.11

4.4. Compliance of total remuneration with Remuneration policy and the way in which it contributes to achievement of long-term objectives of the Company and ESG objectives

Total remuneration paid out to Management Board Members in 2023 was in line with the Remuneration Policy and contributes to achievement of long-term results of the Company and TAURON Group. As part of the update of the Remuneration Policy in 2024, sustainable development issues were included in the bonus system of the Company's Management Board.

The system for remunerating and rewarding Management Board Members applicable in the Company supports execution of strategic objectives and takes into account the fact that level of remuneration should depend on the Company's and TAURON Group's financial standing. In line with the Remuneration Policy, the remuneration system is composed of fixed part and variable part, whose payment depends on the performance of specified management objectives. The results related to the sustainable development of the TAURON Group are included in the variable part of the remuneration system of the Management Board Members of the Company.

Variable Remuneration of management Board Members depends on achievement of objectives determining achievement of financial ratios: EBITDA and net debt/ EBITDA determined in Financial and Operating Plan for the given financial year as well as from achieving non-financial objectives, including: implementation of TAURON Group's Strategy which includes commitments in the field of sustainable development and investment tasks in the long-term perspective.

Determining the Variable Remuneration on execution of management objectives according to criteria determined in the Remuneration Policy and further specified by the Supervisory Board contributes to implementation of the business strategy, long-term interest, stability of the Company as well as sustainable development objectives.

In 2024, works have been carried out to develop a new strategy of TAURON Group, which was adopted by the TAURON Management Board and positively reviewed by the Supervisory Board on 17 December 2024. The new "TAURON Group's Strategy for 2025-2035" - TAURON Nowa Energia ("Strategy"), which replaced the previous "TAURON Group's Strategy for 2022-2030" with the perspective until 2050. It takes into account the impact of key regulatory and market changes on the TAURON Group's operations, including the acceleration of the transformation towards climate neutrality, the failure to finalize the sale of coal-fired generation assets to the National Energy Security Agency and a new approach to customer-related issues.

TAURON Group's business priorities defined in the Strategy are as follows:

- 1) Strong and stable financial situation
- 2) Customer orientation and dynamic development of Distribution Segment
- 3) Profitable increase in capacity in RES and energy storage
- 4) Decarbonization and improvement of the efficiency of the Heat Segment
- 5) Customer in the center of attention and profitable development of Supply Segment
- 6) Fair transformation of conventional energy

7) Building an organizational culture based on RES2 and ESG values, focused on creating value.

Specific Management Objectives to be executed in 2024

In accordance with the applicable remuneration principles the Supervisory Board determined joint specific Management objectives for implementation in 2024 by all Management Board Members, that fulfilled the criteria defined in Remuneration policy.

Variable Remuneration for execution of Management Objectives defined by the Supervisory Board for execution in 2024 will be evaluated and paid out in 2025 after prior approval by the Company's General Meeting of the Financial statements of TAURON Polska Energia S.A. for the year ended 31 December 2024 compliant with the International Financial Reporting Standards approved by the European Union and the Management Board's report on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the year 2024 as well as granting discharge from performance of duties in 2024 to the Management Board Members.

The table below shows joint specific Management Objectives defined for execution in 2024 by all Members of the Management Board holding their functions in 2024.

Management Objective	Specific determining and financial Management Objectives	Weight
Determining objectives		
Shaping and applying the principles of remuneration of members of the management and supervisory bodies of subsidiaries corresponding to the principles specified in the Act of 9 June 2016 on the principles of shaping the remuneration of persons managing certain companies.	By 31 December 2024, in the case of acquisition of shares constituting more than 50% of the share capital of newly acquired entities, the implementation of the "principles" should take place immediately, but no later than within 3 months from the date of registration in the National Court Register of changes to the company's articles of association/deed of incorporation implementing the relevant provisions of the Act of 9 June 2016 on the principles of shaping the remuneration of persons managing certain companies.	
Fulfilment of the obligations referred to in Articles 17-20, 22 and 23, taking into account Article 18a and 23a of the Act of 16 December 2016 on the principles of state property management.	By 31 December 2024, in the case of acquisition of shares constituting more than 50% of the share capital of newly acquired entities, the implementation of the "obligations" should take place immediately, but no later than within 3 months from the date of registration in the National Court Register of changes to the company's articles of association/deed of incorporation implementing the indicated provisions of the Act of 16 December 2016 on the principles of managing state property.	
Financial objectives		
Achieving the EBITDA ratio at the level approved in the Material and Financial Plan for a given financial year.	Achieving EBITDA at the level approved in the TAURON Group's Material and Financial Plan (PRF) for 2024. In the event of regulatory changes not provided for in the PRF directly affecting the amount of revenues, costs or reserves, including acts regulating the prices of electricity, distribution services, heat and fuels, the Management Board has the right to apply to the Supervisory Board for a correction of the determined objective, and the Supervisory Board has the right to consider it.	35%
Achieving the Net Debt/EBITDA ratio at the level approved in the Material and Financial Plan for a given financial year.	Achieving the Net Debt/EBITDA ratio at the level approved in the TAURON Group's Material and Financial Plan (PRF) for 2024. In the event of regulatory changes not provided for in the PRF directly affecting the amount of revenues, costs or reserves, including acts regulating the prices of electricity, distribution services, heat and fuels, the Management Board has the right to apply to the Supervisory Board for a correction of the determined objective, and the Supervisory Board has the right to consider it.	10%

The non-financial objectives set by the resolution of the Supervisory Board to be implemented in 2024 have been linked to sustainable development and are consistent with the implementation of the Company's long-term strategic objectives, as well as taking into account

the need to take actions related to adapting the TAURON Group's business priorities to the conditions of the changing environment.

The table below shows joined specific non-financial Management Objectives determined for implementation in 2024 for all Management Board Members performing functions in 2024:

Specific non-financial Management Objective	Tasks to perform	Supporting ESG development directions and objectives	Weight
Non-financial objectives			
Development of the TAURON Group Strategy and the business and organizational model	Preparation of a high-level TAURON Group Strategy, business and organizational model, including defining TAURON's role and the organization of the RES area, as well as a Group management model focused on improving the efficiency and quality of operations.	The new Group Strategy, business and operational model are closely linked to the implementation of development directions, ESG principles and key economic and financial indicators. The business priorities indicated in the Strategy focus on profitable growth of capacity in RES, achieving climate neutrality, decarbonization of the heat area, customer orientation, fair energy transformation and building an organizational culture based on ESG values. These activities are directly in line with the ESG pillars.	10%
Meeting ESG sustainability criteria and building a new organizational culture and employee development	Preparation and implementation of an ESG action plan ensuring compliance with sustainability reporting criteria in terms of climate and environmental goals, employee development, occupational safety, corporate social responsibility and transparency in corporate governance, as well as a new model for the development and management of human resources and diversity in the TAURON Group.	The implementation of the ESG action plan allows for a comprehensive implementation of sustainability values in the organization, consistent with the TAURON Group Strategy.	5%
Profitable development of renewable energy sources and implementation of initiated investments in RES	Preparation of a comprehensive investment program for the profitable development of renewable sources and energy storage both large-scale and distributed, taking into account the need to increase the security and flexibility of distribution network operation. Implementation of investments in renewable energy sources started in 2022 and 2023 and achievement in 2024 of milestones for RES investments concerning commissioning of wind farms and photovoltaic farm, construction of GPO stations, readiness of foundations for installation of wind turbines.	Implementation of the goal contributes to changing the TAURON Group's generation mix by increasing the installed capacity of RES and ensuring security of energy supply. These measures allow for an increase in electricity sales to TAURON Group customers from low- and zero-emission sources, and in the long term achieve climate neutrality, which, in addition to ensuring adequate profitability for the Group, is also an expression of responsibility for the environment and for future generations.	10%
Transformation of the heat line of business towards low-carbon sources.	Development of a concept for decarbonization of the Heat Area and a development plan. Developing a technical and business concept for ensuring heat supply for the Silesian and Zagłębie agglomeration and the city of Jaworzno.	The long-term planning of the Heat line of business' transformation process towards decarbonization of operations and decarbonization, and the subsequent implementation of the designated measures, directly fits in with the TAURON Group's strategic goals, including achieving the status of an efficient district heating system and meeting ESG criteria.	5%
Reorganization of the conventional generation line of business	Preparation of a plan for permanent decommissioning of coal-fired generating units (up to 200 MW) taking into account the technical, financial, commercial, and organizational and human perspectives. Develop a new operating model for the TAURON Wytwarzanie Group that takes into account the above plan. In the event that a government program dedicated to coal-fired generating units in Poland is announced - implement according to the plan and schedule.	Just transition is one of the priorities of the new ESG-oriented Strategy. The plan supports a transparent and responsible transformation of TAURON Group's business towards decarbonization with due consideration for employees and local communities and profitable use of sites after coal units are decommissioned.	10%
Ensuring a high level of reliability of electricity supply	Obtaining quality indicators: CTP (Interruption Duration), CP (Interruption Frequency), CRP (Connection Realization Time), according to the parameters defined by the President of the ERO.	Meeting quality indicators supports the security of electricity supply, which contributes to improving the quality of life of TAURON Group's customers and strengthens their confidence, as well as supports the economy by ensuring the continuity of business operations. Thus, it not only eliminates the risk of penalties from the Regulatory Authority affecting tariff reductions, but also encourages the location of business on TAURON Distribution's premises, positively influencing the volume of distributed energy.	5%
TAURON Group value creation based on customer base	Development of a strategy for profitable electricity sales, including customer segmentation, target groups, sales channels, products and services, and a marketing plan, as well as a service model in the perspective of selling and distributing electricity and heat.	Implementation of the sales strategy will allow the TAURON Group to achieve its long-term commitment to provide customers with 100% clean energy by 2040, while ensuring the achievement of stable profitability of its sales operations.	5%

Specific non-financial Management Objective	Tasks to perform	Supporting ESG development directions and objectives	Weight
Non-financial objectives			
Maintain TAURON's investment grade rating, at least BBB minus.	Rating published by a rating agency (information publicly available on the rating agency's website. The Company is currently rated by Fitch Ratings). Verification based on current reports of the rating agency assessing the Company during the period.	Obtaining an investment grade rating supports the Group's financial stability by enabling, among other things, the acquisition of financing sources for ongoing investment projects at a relatively lower cost.	5%

Linking the 2024 Variable Compensation to the achievement of the above-described Management Objectives contributes to the implementation of the development directions set forth in the TAURON Group Strategy for 2025-2035 and to the sustainable development of the Company and the TAURON Group, understood as management by values, concern for the environment, social commitment and compliance with the highest standards of corporate governance.

4.5. Performance criteria used

In order to correlate Management Board Members' Variable Remuneration with TAURON Group's financial results, the General Meeting indicated two material financial measures upon adoption of the Remuneration Policy: EBITDA and net debt/ EBITDA.

In relation to the above, the Variable Remuneration of Management Board Members depends, inter alia, on execution of financial objectives including achievement of a specified EBITDA level and net debt/EBITDA ratio at a level adopted in the Financial and Operating Plan for a given financial year.

The financial figures and ratios for the period from 2020 to 2024 presented in this report are in line with the following documents presented to the public by the Company:

- Consolidated financial statements of TAURON Capital Group,
- Standalone Financial statements of TAURON Polska Energia S.A.,
- Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group.

The remaining Management Objectives are correlated with implementation of the business strategy and long-term strategic objectives of TAURON Capital Group.

By selecting the above financial measures as conditions for Variable Remuneration of Management Board Members, the Supervisory Board acts towards implementation of the adopted TAURON Group's Strategy, whose implementation requires from TAURON Group to shape the above indicated financial ratios at a level that would enable acquisition of funds to execute the investment program it introduces and at the same time maintain safe debt level.

EBITDA result is one of the most recognizable measures of the company's business profitability. In line with ESMA (European Securities and Markets Authority) guidelines EBITDA is one of the Key Performance Measures. EBITDA has been defined by TAURON in the provisions of the accounting policy applied by all companies from TAURON Capital Group. EBITDA covers operating profit increased by amortization and depreciation and write downs for non-financial assets. Write-downs for non-financial assets of TAURON Group include write-downs for non-financial assets of entities consolidated using the full method and share in write-downs for non-financial assets of entities valued using the equity method. This measure is one of the main measures used by TAURON Group in the management of its operations and at the same time constitutes the basic measure of assessment of effectiveness of subsidiaries' management board members.

The EBITDA result, unlike other financial and economic ratios, most precisely reflects enterprise's ability to generate cash before financing and depreciation costs. This is due to the fact that, the EBITDA result is similar to operating cash flows from activities, as it reflects the efficiency of the company's operations from the perspective of cash generated by its core business. It is particularly appropriate to use it in the case of enterprises whose large part of their assets are fixed assets and which are associated with high depreciation costs. The EBITDA result is relatively simple to calculate and understand which makes it the most often applied ratio by investors and analysts. Thanks to elimination of the impact of applied amortization and depreciation related policies, capital structure or tax burdens it allows for easier comparison of different companies' results, which in turn significantly facilitates quick comparisons and assessment of investment attractiveness.

The second of the financial objectives determined for the Members of the Management Board of TAURON Group, i.e. the Net Debt / EBITDA ratio, is included in the debt (solvency) ratios. It allows to determine enterprise's ability to repay its debt from operating profits. Successively implementing the policy of maximizing the EBITDA result, at the same time, TAURON's Management Board maintains a safe level of the ratio, allowing itself access to a favorable financing model for investment targets resulting from the adopted TAURON Group's Strategy.

In the light of the financing agreements concluded by TAURON, net debt, as a rule, 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 debt of TAURON Group resulting from issued subordinated bonds. The concept of financial debt has been precisely defined in TAURON's financing agreements and covers TAURON Group's obligation to pay or respectively return funds (including the principal amount and interest) resulting mainly from loans and borrowings drawn and issued debt securities, contingent liabilities extended as collateral for financial liabilities (other than included in consolidated debt), due recourse claims related to payments by third parties for sureties or warranties issued by those parties on request of TAURON or TAURON Group companies or joining a debt that constitutes a liability, as well as leasing (as understood under MSR17) and factoring agreements for receivables (except for receivables sold without the right of recourse).

In accordance with the developed principles of the bonus system for Members of the Management Boards of the Company, the table below presents the evolution of TAURON Group's EBITDA financial result and the Net Debt / EBITDA ratio of TAURON Group, which have been the assessment criteria over the last 5 years in relation to the values determined for TAURON Group Management Board Members by the Supervisory Board.

TAURON Group's EBITDA and net debt/ EBITDA ratio in the years 2020-2024

EBITDA [PLN million]	2020	Change	2021	Change	2022	Change	2023	Change	2024
Determined value of the objective not smaller than	3,319	+506	3,825	+40	3,865	+951	4,816	+418	5,234
Achieved value of the objective	4,226	-74	4,152	-136	4,016	+2,129	5,465*	+1,005	6,470
Implementation to target	+907		+327		+151		+649		+1,236
Net debt / EBITDA ratio									
Determined value of the objective not smaller than	3.4x	-0.2x	3.2x	-0.1x	3.1x	+0.1x	3.2x	-0.6x	2.6x

Achieved value of the objective	2.5x	-0.1x	2.4x	+0.5x	2.9x	-0.5x	2.4x*	-0.7x	1.7x
Implementation to target	+0.9x		-0.8x		-0.2x		-0.8x		-0.9x

*Data restated due to a change in the revaluation model. A description of the changes is presented in the consolidated financial statements.

In each of the presented periods, EBITDA and net debt/EBITDA ratio were above the determined objective.

TAURON Group's EBITDA result in 2020-2022 remained stable and oscillated around PLN 4 billion. The following years saw dynamic growth and EBITDA exceeded PLN 5 billion in 2023 and PLN 6 billion in 2024. The change in EBITDA result in 2024 compared to 2023 is due to the consistently implemented operational strategy and the ability to adapt to changing market and regulatory conditions. At the segment level, EBITDA growth was achieved primarily in Segments: Distribution, Renewables, Heat and Sales, while the result deteriorated in the Generation Segment. The largest EBITDA increase was recorded in the Distribution Segment, as a result:

- an increase in the Regulatory Value of Assets to PLN 21.9 billion,
- an increase in the weighted average cost of capital (WACC) to 10.5%,
- and year-on-year lower network loss expenses (balance sheet difference).

In the Renewable Energy Segment (RES), the improvement in result was mainly due to an increase in the margin on electricity sales as a result of the removal of price caps effective in 2023, as well as higher production volumes thanks to the commissioning in 2024 of three wind farms and one photovoltaic farm with a total capacity of 178 MW.

The increase in EBITDA in the Heat Segment was mainly due to the recognition in the 2023 result of a write-down related to the declaration of insolvency by TAMEH Czech s.r.o. and the loss of control of the company in question in 2024.

In the Supply Segment, the EBITDA result was significantly influenced by regulatory one-time events, such as a one-time reduction in electricity bills by PLN 125 for households in the second half of 2023, and a reduction in the G tariff as of July 1, 2024.

The increases in results in the above Segments were partially offset by a lower result in the Generation Segment. The deterioration was the result of a decline in the margin on electricity sales (a consequence of the decline in energy prices and lower volume), despite higher revenues from the power market and the revenues received from new balancing market services.

The Net Debt/EBITDA ratio over the past five years has been at a safe level, not exceeding 3.0x. The ratio reported as of the balance sheet date of 31 December 2024, calculated on the basis of the TAURON Group's consolidated financial statements, was 1.7x. It decreased compared to 2023, when its value was 2.4x. The above change is the result of significantly higher EBITDA, which is responsible for the 0.4x improvement in the ratio, the reasons for the change of which are outlined above, and a decrease in net debt, which improved the ratio by 0.3x. The decrease in net debt is a result of the improved EBITDA result and the financial management policy pursued.

5. Principles and amount of Supervisory Board Members' remuneration

The principles governing the remuneration of Members of the Supervisory Board applied by the Company in the period covering the financial year 2024 were compliant with the Remuneration Policy applicable in 2024 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 principles of remuneration of Members of the Supervisory Board, including the amount of monthly remuneration.

In 2024 Members of the Supervisory Board received monthly remuneration calculated as a multiple of a basis for remuneration referred to in Article 1 section 3 item 11 of the Act of 9 June 2016 on the principles of forming remunerations of persons managing selected companies and the following multiplier:

- 1) for the Chairman of the Supervisory Board – 1.7
- 2) for other member of the Supervisory Board – 1.5.

In connection with the arrangement included in art. 1 of the Act of 16 December 2024 on special solutions serving the implementation of the Budget Act for 2024, in 2024 the basis for calculating the remuneration of Members of the Supervisory Board referred to in Article 1 section 3 item 11 of the Act of 9 June 2016 on the principles of forming remunerations of persons managing selected companies., it was still the average monthly remuneration in the enterprise sector without the payment of bonuses from profit in the fourth quarter of 2016.

In 2024, 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 rights.

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 principles for Members of the Supervisory Board are not linked to the performance of the Company, either on an annual or a long-term basis.

The Supervisory Board's remuneration is not linked to sustainable development.

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 not excusing 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 given member of the Supervisory Board was appointed in the course of a calendar month, the remuneration was calculated proportionally to the number of days in which the function was held.

The table below presents the total remuneration of Members of the Company Supervisory Board paid in 2024.

Remuneration of Members of the Company Supervisory Board in 2024 (in PLN excluding overheads)

No.	Name and surname	Period of holding the function in 2024	Remuneration
1.	Sławomir Smyczek	25.01.2024 – 31.12.2024	90,700.21
2.	Natalia Klima-Piotrowska	25.01.2024 – 31.12.2024	80,339.09
3.	Piotr Kołodziej	05.02.2024 – 31.12.2024	76,101.03
4.	Mariusz Bąbol	03.09.2024 – 31.12.2024	25,982.30
5.	Michał Hulbój	03.04.2024 – 31.12.2024	59,010.65
6.	Beata Kisielewska	03.04.2024 – 31.12.2024	59,010.65
7.	Leszek Koziorowski	01.01.2024 – 31.12.2024	89,359.54
8.	Krzysztof Tkaczuk	03.04.2024 – 03.09.2024	33,248.54
9.	Katarzyna Masłowska	25.01.2024 – 07.06.2024	35,640.72
10.	Karolina Mucha-Kuś	25.01.2024 – 30.04.2024	19,786.84 ¹
11.	Grzegorz Peczkis	01.01.2024 – 03.04.2024	30,569.08
12.	Teresa Famulska	01.01.2024 – 05.02.2024	13,660.29
13.	Piotr Tutak	01.01.2024 – 25.01.2024	10,649.14
14.	Marcin Wawrzyniak	01.01.2024 – 25.01.2024	9,396.31
15.	Dariusz Hryniów	01.01.2024 – 25.01.2024	9,396.31
16.	Ryszard Madziar	01.01.2024 – 25.01.2024	9,396.31
Suma			652,247.01

1. The remuneration of Karolina Mucha-Kuś presented in the table concerns only the period of serving as a Member of the Supervisory Board.

In line with the provisions of the Article of Association of TAURON Polska Energia S.A. the Company covered the costs related to performance of functions by the Supervisory Board Members. In connection with the meetings of the Supervisory Board - 19 meetings, the Audit Committee - 9 meetings, the Strategy Committee - 5 meetings and the Nomination and Remunerations Committee - 7 meetings held in 2024 the Company covered, in particular, the costs of travel from the place of residence to the place of the meeting and back, as well as food and accommodation costs, as required.

In the reported period, no requests to return components of remuneration were made in relation to Supervisory Board Members.

Supervisory Board Members did not receive remuneration from other entities belonging to TAURON Capital Group as understood in line with the Act of 29 September 1994 on accounting.

In the reported period, Supervisory board Members were not given or offered financial instruments.

Also, no monetary or non-monetary benefits were given to persons closest to the Supervisory Board Members.

6. Information on the change of the remuneration, average remuneration of employees and the results of the Company

In 2024, the Supervisory Board did not change the amount of the Fixed or Variable Remuneration of Members of the Company Management Board.

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 employed by the Company under an employment contract in 2024 increased by 1.11% compared to the average remuneration in 2023. 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 2024 by approximately 3.52% compared to 2023 in the group of employees acting in the capacity of Directors and Managers, while for other positions, the average remuneration increased by approx. 1.67% compared to 2023.

The table below shows the change, in year-on-year terms, in the remuneration of the Management Board and the Supervisory Board and the average remuneration of employees in the years 2020-2024.

Change in remuneration of the Management and Supervisory Boards and the average remuneration of employees in 2020 - 2024 (in PLN):

	2020	Year-on-year change	2021	Year-on-year change	2022	Year-on-year change	2023	Year-on-year change	2024
Total remuneration of the Management Board ¹	3,564,994.60	-4.66% ³	3,398,940.74 ³	+59.71%	5,428,397.64 ⁴	+42.06%	7,711,312.36	-59.79%	3,100,554.71 ⁵
Average number of Management Board members	3.00	+3.67%	3.11	+77.81%	5.53	+8.5%	6.00	-31.33%	4.12
Average monthly remuneration of Management Board member	99,027.63	-8.03%	91,075.58	-10.18%	81,802.25	+30.93%	107,101.56	-41.44%	62,713.49

	2020	Year-on-year change	2021	Year-on-year change	2022	Year-on-year change	2023	Year-on-year change	2024
Fixed Remuneration of the Supervisory Board	587,535.76	-2.18%	574,726.48	+23.90%	712,091.27	-12.19%	625,322.60	4.31%	652,247.01
Average number of Supervisory Board members	6.97	+2.20%	7.12	+24.29%	8.85	-12.31%	7.76	-6.22%	7.28
Average monthly remuneration of Supervisory Board member	7,027.40	-4.29%	6,725.92	-0.30%	6,705.60	+0.14%	6,715.23	11.22%	7,468.75
Average monthly salary of the Company employees other than Members of the Management Board and the Supervisory Board ²	12,910	+7.78%	13,914	+9.31%	15,210	+13.61%	17,280	+1.11%	17,471

¹ Total fixed and Variable Remuneration paid during a given period.

² Calculated as remuneration paid without taking into account jubilee bonuses equivalents for unused leave and severance pay.

³ Adjustment for 2021 resulting from a change in the method of presenting data – the value supplemented by Variable Remuneration paid in 2020 to Filip Grzegorzczuk.

⁴ The amount does not include Variable Remuneration for 2019 and 2020 paid in 2022 to Kamil Kamiński and Jarosław Broda.

⁵ In 2024, the variable remuneration component for 2023 was not paid.

The table below shows the change, in year-on-year terms, in the results of TAURON Polska Energia S.A. in the years 2020 - 2024.

Change in the Company's results in the years 2020 - 2024 (PLN million):

	2020	Year-on-year change	2021	Year-on-year change	2022	Year-on-year change	2023	Year-on-year change	2024
Company's sales revenue	11,340	+6,876	18,216	+9,329	27,545	+6,769	34,314	-11,465	22,849
Company's EBITDA	-895	+952	57	+161	218	+22	240	+582	822
Gross profit (loss)	-3,190	+3 426	236	-200	36	-673	-637	+1,254	617

Sales revenues in the perspective of the period between 2020 and 2023 showed significant upward trend, which was a result of significant increases in electricity prices and a higher volume of its sales. The price increases in these years were influenced by, among other things, the aggression of the Russian Federation in Ukraine, which led to price destabilisation in the commodity markets. The year 2024 brought a significant decrease in revenues compared to the previous year, which was mainly due to the change in market conditions and the stabilisation of the market already visible in 2023, as well as a significant decrease in energy prices for contracts entered into with delivery for 2024. The price decrease in 2024 amounted to 32%, which significantly translated into the revenues obtained in the Company.

Higher EBITDA in 2024 compared to the previous year which was a result of the following factors:

- higher margin on sales of electricity and gas, mainly as a result of a lower 2023 base related to the write-down of the Price Difference Fund.
- higher margin on sales of CO2 emission allowances mainly due to settlement of purchase of allowances from the market at a lower EUR settlement rate thanks to the strengthening of the PLN.
- decrease in revenue from CO2 portfolio management services due to a lower volume of sales of allowances on which a variable fee is charged, and from fuel portfolio management services due to the transfer of competencies in this area to TAURON Wytwarzanie S.A,
- lower costs of operations, inter alia due to the absence of an impairment loss on receivables in 2023.

The higher EBITDA in 2024 compared to the previous year, in addition to the factors influencing the change in EBITDA described above, were collectively influenced by the following factors:

- increase in dividend income, mainly due to the recognition of a dividend from the subsidiary TAURON Dystrybucja S.A,
- recognition of a loss on derivative instruments due to the strengthening of the PLN exchange rate, which translated into a decrease in the valuation and the result on the current settlement of currency derivative instruments,
- recognition of foreign exchange gains related to the valuation of external financing in EUR due to the strengthening of the PLN,
- decrease in interest expenses due to lower average use of external financing and generally lower base rates,
- revaluation of shares by reversing the impairment loss on shares in TAURON Ciepło Sp. z o.o. as a result of the impairment tests carried out,
- revaluation of loans, which in impairment tests reduced the carrying amount of the loan granted to TAURON Wytwarzanie S.A.

7. Opinion of the Company's General Meeting related to the previous Remuneration Report

The Company's Ordinary General Meeting, by Resolution No. 10 of 3 April 2024 issued a positive opinion on the Report on the remuneration of the Management Board and the Supervisory Board of TAURON Polska Energia S.A. for 2023 and had no reservation as to its contents.

The Report on remuneration of the Management Board and the Supervisory Board of TAURON Polska Energia S.A. for 2023 was submitted to certified auditor for review and the certified auditor confirmed that it contains information required under Article 90g sections 1-5 and 8 of the Act on Public Offering.

8. 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 2024 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 certified auditor with regard to the inclusion of the required information pursuant to Article 90g sections 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 Ordinary General Meeting, the Remuneration Report will be posted on TAURON website, where it will be made available free of charge for at least 10 years.

15 April 2025

Signatures of Members of the Supervisory Board:

Chair of the Supervisory Board - Sławomir Smyczek
Vice Chair of the Supervisory Board - Natalia Klima-Piotrowska
Secretary of the Supervisory Board - Piotr Kołodziej
Member of the Supervisory Board - Michał Hulbój
Member of the Supervisory Board – Arkadiusz Jówko
Member of the Supervisory Board – Beata Kisielewska
Member of the Supervisory Board - Leszek Kozirowski