



**Supervisory Board By-Laws  
TAURON Polska Energia S.A.  
with its seat in Katowice**

**July 27,2021**

## **I. General provisions.**

### **§1.**

1. Supervisory Board takes constant supervision over Company's activity in all areas of its operations.
2. Supervisory Board of TAURON Polska Energia S. A., henceforth called "the Board" acts on the basis of the Code of Commercial Companies and other regulations of law, provisions of Company's Articles of Association as well as provisions of these present By-Laws.
3. In the performance of their duties the members of the Supervisory Board follow the recommendations and principles defined in the binding Code of Best Practices of WSE Listed Companies.
4. Members of the Supervisory Board, in the scope of their functions and duties in the Supervisory Board, follow in their conduct, including decision-making, independence of their own opinions and judgments, acting in the best interest of the Company. Board members should be able to devote the necessary amount of time to perform their duties.
5. The Supervisory Board works in a culture of debate, analysing the situation of the Company and the Group compared to the situation of the sector and the market on the basis of materials provided by the Management Board of the Company as well as internal systems and functions of the Company, as well as obtained from outside sources, using the results of the work of its Committees. The Supervisory Board, in particular, gives opinions on the strategy of the Company and the Group, verifies the work of the Management Board in terms of achieving the established strategic goals and monitors the results achieved by the Company and the Group.

## **II. Composition of the Supervisory Board.**

### **§2.**

1. Supervisory Board consists of 5 to 9 members appointed and dismissed by the General Meeting subject to § 23 of Company's Articles of Association.
2. Members of the Supervisory Board are appointed for the period of joint term of office, which lasts three years, except for the first term of office which lasts one year. A member of the Supervisory Board may be dismissed at any time.
3. Supervisory Board Members' mandates expire with the day of General Meeting approving financial report for the last complete financial year of performing the function of the member of the Supervisory Board at the latest.
4. Mandate of Supervisory Board Member appointed before the end of a given term of office, shall expire simultaneously with the expiry of mandates of other members of the Supervisory Board.
5. Supervisory Board Member's mandate shall also expire in the case of death, resignation or being dismissed from the composition of the Supervisory Board.
6. Member of the Supervisory Board shall submit a written resignation to the Management Board to the address of the Company's seat.
7. At least two members of the Supervisory Board should meet the independence criteria specified in the Act of 11 May 2017 on statutory auditors, audit firms and public supervision, and should not have real and significant connections with a shareholder holding at least 5% of the total number of votes in the Company.

### **III. Rules of the Supervisory Board operation.**

#### **§3.**

The main form of performing supervision by the Supervisory Board over the Company's activity is the Board's meetings. The Supervisory Board shall perform its duties collegially.

#### **§4.**

The first meeting of the Supervisory Board in a new term of office shall be summoned by the Management Board within 14 days from the day of appointing the Supervisory Board unless a resolution of the General Meeting shall determine otherwise. President of the Management Board or a Member of the Management Board appointed by him shall open this meeting

as well as he shall chair it until the moment of electing the Chairperson of the Board.

#### **§5.**

1. At the first meeting members of the Supervisory Board shall choose, among themselves, in voting by open ballot, the Board's Chairperson, Vice Chairperson and Secretary.
2. The Board may, at any time, dismiss the Board's Chairperson, Vice Chairperson and Secretary from the performed functions.
3. In the case indicated in section 2 of this present paragraph as well as § 2 section 2 second sentence and section 5 the Supervisory Board, in open ballot, shall immediately carry out supplementary elections for the positions defined in section 1.

#### **§6.**

1. Meetings of the Supervisory Board shall be summoned by the Chairperson or Vice Chairperson of the Board, presenting a detailed agenda:
  - a) in accordance with decisions adopted by the Board,
  - b) on his own initiative,
  - c) upon a proposal of each Member of the Board,
  - d) upon the Management Board's proposal.
2. Meeting of the Board shall be summoned on the day falling not later than within two weeks from the day of receiving by the Chairperson a proposal specified in section 1 item c and d. shall the Chairperson fail to summon the meeting within this deadline, the requesting party may summon it independently, providing the date, place and suggested agenda.
3. Board's meetings shall take place in the Company's seat.
4. In justified cases, the meeting may be summoned in a different place than the one defined in section 3.

#### **§7.**

1. In order to summon a meeting a written invitation to all members of the Board at least 7 days before the date of the Board's meeting is required.
2. Due to material reasons, the Chairperson of the Board may shorten the period of time which is defined in section 1 to 2 days, and define the way of submitting invitations.
3. Notifications of the Supervisory Board's meeting are sent by means electronic mail.
4. In the notification of the Supervisory Board's meeting the Chairperson defines the date of the meeting, place of the meeting as well as detailed draft of the agenda.

§8.

1. Materials concerning the issues being the subject of the agenda are sent together with the notification of the Board's meeting specified in §7, unless the Board shall determine otherwise.
2. The duty of supervision over the preparation of materials for the Board's meetings is upon the Board's Chairperson and Secretary.

§9.

The Supervisory Board shall meet when the need arises, however not less than once every two months.

§10.

1. The Board may meet without summoning a formal meeting if all members of the Board are present and nobody appeals against the fact of holding the meeting or against the agenda.
2. Change of the suggested agenda may take place when all members of the Board are present at the meeting and nobody appeals against the changed agenda of the meeting.
3. An issue not included in the agenda shall be included in the agenda of the next meeting.

§11.

1. Taking part in meetings of the Supervisory Board is the Board's Member duty. A Member of the Board shall give reasons of his absence in writing. Justification of the Board's Member absence requires the Board's resolution.
2. Members of the Management Board of the Company may take part in the Supervisory Board's meetings unless the Supervisory Board voices an objection.
3. Participation of the Management Board's Members in the Supervisory Board's meetings is compulsory if they were invited by the person convening the meeting of the Supervisory Board. Also other persons may take part in the meetings if they were invited in the above mentioned way.

§12.

1. The Supervisory Board may seek expert opinions using the knowledge of the Company's employees, including in particular legal advisers who render regular legal advice for the Company. The Supervisory Board may also appoint independent experts in order to obtain an opinion and make an appropriate decision, as well as to invite them to meetings of the Supervisory Board.
2. If the transaction of the Company with a related entity requires the consent of the Supervisory Board, before adopting a resolution on granting consent, the Supervisory Board assesses whether it is necessary to first consult an external entity that will evaluate the transaction and analyse its economic effects. If the conclusion of a transaction with a related entity requires the consent of the General Meeting, the Supervisory Board prepares an opinion on the legitimacy of concluding such a transaction and, in such a case, assesses the need to first consult an external entity referred to in the previous sentence.
3. In cases mentioned in section 1 second sentence and section 2, the Supervisory Board shall pass a resolution concerning commissioning the work to a chosen expert obliging the Company's Management Board to conclude an appropriate agreement.

§13.

1. Meetings of the Supervisory Board shall be chaired by the Chairperson of the Supervisory Board, and in the case of his absence by the Vice Chairperson.
2. Person chairing the meeting of the Board is obliged to:
  - 1) present the agenda together with possible amendments,
  - 2) present minutes of the previous meeting of the Supervisory Board for approval,
  - 3) formulate drafts of motions and decisions to particular items of the agenda,
  - 4) order voting on drafts of resolutions.
3. Due to material reasons, with the consent of the majority of the Members of the Board present at the meeting, the person chairing the meeting is obliged to submit to voting a motion to stop the meeting and establish a new date of resuming the Board's meeting.

#### §14.

1. Minutes of the Board's meetings are taken.
2. Draft of the meeting's minutes is made by the Board's Secretary and/or an appointed employee of the organizational unit of TAURON Polska Energia S.A. responsible for the performance of the function of supporting the bodies of the Company.
3. Minutes of the Board's meeting shall include:
  - 1) item number in a given calendar year, indication of the term of office by a Roman numeral as well as indication of the calendar year,
  - 2) place and date of the meeting,
  - 3) list of the present members of the Board as well as a list of members of the Management Board or other persons invited,
  - 4) acknowledging the correctness of summoning the meeting as well as the capacity to pass resolutions (legal validity of the meeting),
  - 5) agenda accepted by voting,
  - 6) course of the meeting as well as conclusions resulting from it,
  - 7) content of passed resolutions as well as results of voting,
  - 8) dissenting opinions submitted by the members of the Board,
  - 9) signatures of the members of the Board.
4. List of presence of the members of the Board at the meeting, passed resolutions, plans, reports, information, motions as well as other documents shall be enclosed with the minutes.
5. A member of the Supervisory Board voting against the resolution may submit a dissenting opinion to the minutes, which shall be recorded in the minutes or shall be enclosed in writing with the minutes with the justification of the person reporting a dissenting opinion. Then, in the minutes, a note concerning reporting a dissenting opinion in the form of an appendix is included.
6. If a member of the Supervisory Board is of the opinion that the decision taken by the Board is against the interest of the Company, they shall request that their dissenting opinion on this matter be included in the minutes of the Supervisory Board's meeting.
7. Minutes are to be approved during the next meeting of the Board at the latest.
8. Minutes are signed by all members of the Board present at the meeting during which the minutes were made. A Member of the Board may question the content of the minutes or make amendments. Members of the Board absent at the meeting acknowledge having read the content of the minutes with their signatures.

9. Minutes as well as other documents from the Board's meeting are kept in the Company's seat.

#### §15.

1. The Board makes decisions in the form of resolutions.
2. Board's resolution shall include:
  - 1) item number in the given calendar year, indication of the term of office by Roman numeral as well as indication of the year,
  - 2) date of passing the resolution,
  - 3) title of the resolution defining the scope of the resolution,
  - 4) legal basis, defining the Board's competences to pass the resolution,
  - 5) content of the resolution, marked with paragraphs, sections and points,
  - 6) date of entering the resolution into force,
  - 7) defining the method of passing the resolution: secret or open ballot,
  - 8) result of voting, the number of the present members, number of votes given "for", "against" and "abstain",
  - 9) signatures of the members of the Board taking part in the voting.
3. If the resolution concerns a document to be examined by the Board, this document shall be enclosed with the resolution.

#### §16.

1. The Supervisory Board's resolutions are passed at meetings, subject to §17.
2. It is possible to participate in the Supervisory Board meeting using means of direct remote communication on the principles defined in §18 of the present By-laws.
3. The Supervisory Board passes resolutions if at least half of the members of the Board are present at the meeting and all members of the Board were invited in the way defined in §7 of the present By-laws.
4. Subject to binding regulations of law, including the Code of Commercial Companies as well as provisions of the Company's Articles of Association, the Supervisory Board passes resolutions by an absolute majority of votes, where the absolute majority of votes is understood as more votes given "for" than "against" and "abstain".
5. Resolutions shall not be passed on issues not included in the agenda unless all members of the Board are present and nobody shall appeal against. This does not apply to resolutions concerning justifying absence at a meeting of a member of the Supervisory Board.
6. Voting on the resolutions is open.
7. Secret ballot is ordered: only in cases resulting from legal provisions
8. Secret ballot referred to in section 7 shall be carried out using voting cards, subject to §18 section 9.
9. On the ballot paper, a member of the Supervisory Board casts his vote by ticking the word "for" or "against" or "abstained", which corresponds to the content of the vote.
10. Selecting two or three words on the voting card or not selecting any, invalidates the vote.
11. Member of the Supervisory Board should inform the Board about the occurrence or a possibility of occurrence of a conflict of interest and shall not take part in the consideration of the case or voting over resolution on a matter in relation to which a conflict of interest might occur involving that Member of the Supervisory Board.
12. Members of the Board shall take part in meetings and perform their duties in person, and while performing their duties they are obliged to exercise due diligence.

13. Member of the Supervisory Board should avoid engaging in professional or other activity that might lead to a conflict of interest or have negative impact on their reputation as a member of the Company's body, and in the case of a conflict of interest they should immediately disclose it.
14. Member of the Supervisory Board should not accept benefits that might affect their impartiality and objectivity when it comes to taking decisions or that might have negative impact on the independence of their opinions and judgements.
15. Member of the Supervisory Board, immediately following appointment to the Board, should submit to the other members of the Board and to the Management Board of the Company a statement concerning fulfilment the criteria of independence specified in the Act of 11 May 2017 on statutory auditors, audit firms and public supervision, as well as on the lack of real and significant connections with a shareholder holding at least 5% of the total number of votes in the Company.
16. The Board should assess if there are relations or circumstances that might affect fulfilment of the independence criteria by the given Board member and if there are no connections referred to in sec. 15 and presents its assessment to the Ordinary General Meeting in line with § 21 section 1 letter a).
17. Members of the Board are obliged to keep information connected with the Company's activity which they have acquired in connection with holding their seat or at other occasion secret.

#### §17.

1. The Supervisory Board between the Supervisory Board meetings may adopt resolutions in writing or by means of direct remote communication.
2. Passing resolutions in the mode defined in section 1 requires prior submitting of the draft of the resolution to all members of the Board and at least half of the members of the Supervisory Board have participated in adopting the resolution.
3. Voting on a resolution passed in the mode defined in section 1, a member of the Board shows how he was voting, that is "for", "against" or "abstain".
4. Resolution with indication that it was passed in a written mode or using the means of direct distance communication shall be signed by the Chairperson of the Supervisory Board.
5. Resolutions passed by means defined in section 1 shall be submitted during the next coming meeting of the Supervisory Board and the result of the voting shall be announced.

#### §18.

1. In the case of the participation of Supervisory Board members in a meeting using means of direct remote communication, referred to in §16 section 2, resolutions are adopted if at least half of the members of the Supervisory Board take part in the voting.
2. The opportunity to participate in the Supervisory Board's meeting via direct remote communication systems includes all of the following:
  - 1) webcast of the Supervisory Board's meeting in real time from the location indicated in the notification as the place where the meeting of the Supervisory Board takes place;
  - 2) two-way communication in real time, where Board members may speak during the Supervisory Board's meeting being at different locations than the location of the meeting;

- 3) exercising voting rights in person during the Supervisory Board's meeting.
3. Participation in a Supervisory Board meeting referred to in section 2 takes place by means of tele or videoconference
  4. Members of the Supervisory Board who want to participate in the Board's meeting by means of tele- or videoconference should, prior to the date of the meeting, report to the person designated by the Chairperson of the Supervisory Board entrusted with tasks related to the organization of the meeting, their intention to use this form of participation in the meeting.
  5. Immediately following the opening of the Supervisory Board's meeting in which participation by means of tele- or videoconference was allowed, the Chairperson of the Supervisory Board informs the participants which members of the Supervisory Board take part in the meeting via direct remote communication systems
  6. Participation by individual members of the Board in the meeting via direct remote communication systems is indicated on the attendance list and in the minutes of the given meeting, including indication which members of the Board take part in the meeting in this manner.
  7. The Company shall not be responsible for lack of possibility to participate by Members of the Supervisory Board by means of tele- or videoconference if such situation results from circumstances independent from the Company, in particular such as: no connection with terminal for tele- or videoconference that enables participation in the Supervisory Board's meeting and exercising the right to vote, lost connection with the room where the Supervisory Board's meeting takes place, IT system failures, force majeure.
  8. If the connection with the terminal for tele- or videoconferences is lost during the Supervisory Board's meeting the decision to continue or adjourn the meeting is taken by the Chairperson of the Supervisory Board.
  9. In the event of including items on the agenda regarding adoption of resolutions which require a secret ballot, the Management Board of the Company is obliged to ensure the possibility of voting on the above resolutions using a dedicated IT platform enabling secret voting.
  10. If a member of the Supervisory Board does not have at his disposal IT equipment meeting the requirements specified in section. 11 technical conditions, a member of the Supervisory Board may resign from the right to secret voting and may cast his vote in an open manner informing the attendees that he is voting "for" or "against" or "abstaining".
  11. A member who wishes to participate in secret ballot on adopting a resolution, must have:
    - 1) connection to the public Internet network with a minimum bandwidth of 1 Mbps (constant bandwidth when using the platform);
    - 2) a computer with the possibility of operating Windows with one of the following browsers installed on it: IE (minimum version 11 and newer), Firefox (version 60 and newer), Chrome (version 70 and newer) or Opera (version 55 and newer) and Adobe plugin Flash Player (minimum version 27 and newer). Additionally, JavaScript and SSL 3.0 support must be enabled in the browser.
  12. Members of the Supervisory Board receive from the Company to the e-mail address provided a start password to the IT platform dedicated to participate in voting on resolutions during a specific meeting of the Supervisory Board, which is used only for the first registration to this platform. In order to maintain the security and confidentiality



principles in using the platform, the Supervisory Board Member must change the above password to his own as described in the instructions sent by the Company together with the login and start password.

13. The risk associated with the use of electronic communication means to participate in the meeting of the Supervisory Board, speak and vote, as well as associated with the incorrect or unauthorized use of the login or password, lies solely with the member of the Supervisory Board and the Company is not liable.

#### §19.

1. The Supervisory Board shall perform its action collegially.
2. The Board may, due to material reasons, delegate particular members to perform certain actions independently for a defined period of time.
3. Board's resolution to delegate supervisory actions shall include in particular:
  - 1) designation of the person performing the supervisory actions,
  - 2) designation of the kind of supervisory actions,
  - 3) period of performing the actions.
4. Delegation, which is defined in section 2, may be cancelled at any time.
5. The delegated member of the Supervisory Board is obliged to submit to the Board a written report from the performed actions.
6. The report from the performed actions shall include in particular:
  - 1) kind of performed actions,
  - 2) description of the way of performing actions,
  - 3) list of controlled documents,
  - 4) suggestions.
7. The Board may appoint among its members permanent or temporary working teams or committees to perform particular actions.
8. The permanent committees of the Supervisory Board are the Audit Committee, the Nomination and Remuneration Committee and the Strategy Committee.
9. Composition, tasks as well as rules of functioning of the Committees specified in item 8 are defined by the Committees' Regulations passed by the Supervisory Board.
10. The Chairman of the Supervisory Board should not combine his function with managing the work of the Audit Committee operating within the Supervisory Board.

#### §20.

1. The Board may delegate its members, for the period not longer than three months, to temporarily perform the duties of the members of the Management Board who have been dismissed, submitted their resignation or if due to other reasons they cannot perform their functions.
2. Delegation which is described in section 1, requires obtaining a permission from the member of the Board who is to be delegated.

#### §21.

1. The Board annually submits and presents to the Ordinary General Meeting a report on the activities of the Supervisory Board, containing at least:
  - a) information on the composition of the Supervisory Board and its Committees, indicating which members of the Supervisory Board meet the independence criteria specified in the Act of 11 May 2017 on statutory auditors, audit firms and public supervision, and

which of them do not have real and significant connections with a shareholder holding at least 5% of the total number of votes in the Company, as well as information on the composition of the Supervisory Board in terms of its diversity,

- b) a summary of the activities of the Supervisory Board and its Committees,
  - c) assessment of the Company's situation on a consolidated basis, including the assessment of internal control systems, risk management, compliance and internal audit functions, along with information on the actions taken by the Supervisory Board in order to perform this assessment, including all relevant control mechanisms, including especially regarding reporting and operating activities,
  - d) assessment of the application by the Company of the corporate governance rules and the manner of fulfilling the disclosure obligations regarding their application specified in the Stock Exchange Regulations and the provisions on current and periodic information provided by issuers of securities, along with information on the actions taken by the Supervisory Board to make this assessment,
  - e) assessment of the legitimacy of expenses incurred by the Company and its group to support culture, sports, charities, media, social organizations, trade unions, etc.,
  - f) information on the degree of implementation of the diversity policy in relation to the Management Board and the Supervisory Board, including the implementation of the objectives and criteria of diversity, among others, in such areas as gender, field of education, specialist knowledge, age and professional experience.
2. The Supervisory Board gives its opinion on draft resolutions put by the Management Board to the agenda of the General Meeting of the Company.
  3. Members of the Supervisory Board participate in the sessions of the General Meeting of the Company in a composition that allows them to comment on the matters being discussed at the General Meeting and to provide substantive answers to questions asked during the General Meeting.
  4. The Supervisory Board, with the participation of the Audit Committee, selects an independent auditor at least once every 5 years to review the internal audit.

#### §22.

1. Costs of the Supervisory Board's activity are covered by the Company.
2. The company, adequately to its size and financial situation, delegates administrative and financial resources necessary to ensure the efficient functioning of the Supervisory Board.
3. The Board uses office rooms, equipment and materials of the Company.
4. Technical and administrative assistance of the work of the Supervisory Board shall be carried out by the organizational unit of TAURON Polska Energia S.A. responsible for supporting the corporate bodies of the Company.

#### §23.

1. Members of the Supervisory Board are entitled to monthly remuneration in the amount defined by the General Meeting, taking into consideration the binding regulations of law.
  2. The Company covers costs borne in connection with performing by members of the Supervisory Board functions entrusted to them, especially costs connected with transport from the place of residence to the place of the meeting of the Supervisory Board
- or

the Committee of the Supervisory Board and back, cost of performing individual supervision, cost of accommodation and catering.

**IV. Final resolutions.**

§24.

By-laws of the Supervisory Board shall enter into force upon its adoption

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