



PGE MANAGEMENT BOARD REGULATIONS POLSKA GRUPA ENERGETYCZNA S.A.

REGL 00004/F

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I PURPOSE AND SCOPE

- 1.1 The Management Board Regulations define the organisation of the work and the manner of performing duties by the Management Board, to ensure conducting the Company's business in an efficient and effective manner.

II LIABILITY

- 2.1 All Management Board Members are obliged to observe these Regulations.
- 2.2 The body supervising the observance of the Management Board Regulations is the Supervisory Board of PGE Polska Grupa Energetyczna S.A. and the General Meeting of PGE Polska Grupa Energetyczna S.A.

III DOKUMENTY POWIĄZANE

- 3.1 *The articles of association of PGE Polska Grupa Energetyczna S.A.*
- 3.2 *REGL 00001 Organizational Regulations of PGE Polska Grupa Energetyczna S.A.*
- 3.3 *REGL 00002 Regulations of the General Meeting of PGE Polska Grupa Energetyczna S.A.*
- 3.4 *REGL 00003 Regulations of the Supervisory Board of PGE Polska Grupa Energetyczna S.A.*
- 3.5 *PROC 00041 Procedure on Preparation and Flow of Documents Handled during Management Board Meetings.*

IV ATTACHMENTS

None

V ABBREVIATIONS AND DEFINITIONS

PGE, PGE S.A.

Employer, Employee, PGE CG Company, Company, Companies

Abbreviations used for the purpose of this document:

MP - portable device for cataloguing and listening to audio files

PGE, PGE S.A. - PGE Polska Grupa Energetyczna S.A.

Definitions of expressions used for the purposes of this document:

- 5.1 **Code of commercial companies** – the Act of 15 September 2000 – the Code of Commercial Companies (Journal of Laws of 2019, item 505, as amended).
- 5.2 **Employer** - the Company or a Branch of the Company employing Employees under an employment relationship represented by the Management Board or other persons authorised to act on behalf of the Employer in labour law matters, based on powers of attorney or other internal legal acts binding in the Company.
- 5.3 **Employee** - a person with whom the Employer has established the employment relationship within the meaning of Article 22 of the Labour Code, does not include persons performing work on a basis other than employment relationship.
- 5.4 **Supervisory Board** – the Supervisory Board of PGE Polska Grupa Energetyczna S.A.
- 5.5 **Organizational Regulations** - *REGL 00001 Organizational Regulations of PGE Polska Grupa Energetyczna S.A.*
- 5.6 **Management Board Regulations, Regulations** – *REGL 00004/F Management Board Regulations of PGE Polska Grupa Energetyczna S.A.*, this document.
- 5.7 **PGE CG Company, Company, Companies** - a commercial law entity/entities forming the PGE Capital Group.
- 5.8 **Articles of Association** – Articles of Association of PGE Polska Grupa Energetyczna S.A.
- 5.9 **General Meeting** - General Meeting of PGE Polska Grupa Energetyczna S.A.
- 5.10 **Management Board** - Management Board of PGE Polska Grupa Energetyczna S.A.



VI PERFORMANCE

6.1 GENERAL PROVISIONS

- 6.1.1 The Management Board deals with the Company's affairs in a transparent and effective manner on the basis of, and within the scope of, applicable laws, including the Code of Commercial Companies, provisions of the Articles of Association, the Regulations, and other internal rules applicable in the Company.
- 6.1.2 The Company's affairs, not reserved in law regulations or the provisions of the Articles of Association as being within the competences of the General Meeting or the Supervisory Board, shall be deemed to be within the competences of the Management Board.

6.2 DEALING WITH THE COMPANY'S AFFIARS, ORGANIZATION OF THE WORK OF THE MANAGEMENT BOARD

- 6.2.1 The Management Board shall make decisions in the form of resolutions during Management Board meetings and, outside of Management Board meetings, in writing or using means of direct distance communication.
- 6.2.2 The division of organization supervision areas and the scope of responsibility of Management Board Members shall be defined in the resolutions of the Management Board adopted on request of the President of the Management Board, taking into account the Company's organizational structure.
- 6.2.3 On request of the President of the Management Board, certain issues may be entrusted with the given Management Board Member.
- 6.2.4 Within the scope of the agreed division of duties, each Management Board Member may deal with matters not exceeding ordinary business of the Company, without a prior resolution of the Management Board, subject to clause 6.2.5.
- 6.2.5 The division referred to in clause 6.2.4 shall not limit the ability of the President of the Management Board to undertake tasks within the scope of ordinary management of the Company.
- 6.2.6 The submission of statements on behalf of the Company shall require the cooperation of two Management Board Members or one Management Board Member along with the proxy.
- 6.2.7 If the Management Board consists of one Member, the only Member of the Management Board shall be authorised to make statements on behalf of the Company.
- 6.2.8 In circumstances described in clause 6.2.4, in case of submission of statements a rule shall apply according to which the statement of will is submitted by the Management Board Member responsible for the defined range of affairs within the divided area along with the President of the Management Board or another Management Board Member or the proxy.
- 6.2.9 The President of the Management Board shall manage the works of the Management Board, coordinate the activities of individual Members, and settle, on his/her own initiative or on request of other Management Board Members, any doubts as to the scope of affairs within the division of the organizational supervision areas and the scope of responsibility of individual Management Board Members of the Company.
- 6.2.10 On request of the President of the Management Board, Management Board Members provide information on the status of ongoing cases.
- 6.2.11 The President of the Management Board shall establish and coordinate the policy and practice concerning contacts with public administration authorities and the management of other enterprises.
- 6.2.12 The President of the Management Board may issue orders to allow the execution of the duties defined in clauses 6.2.9 and 6.2.11.
- 6.2.13 During the absence of the President of the Management Board, which lasts at least five business days in a row, the works of the Management Board shall be managed by the Management Board Member appointed by the President. Should the President of the Management Board fail to appoint the deputy Management Board Member, other Management Board Members, on request of the Director of the unit in charge of handling the affairs of the Company's authorities, shall select from among themselves the person responsible for managing the works of the Management Board in replacement of the President of the Management Board.
- 6.2.14 In case of a planned absence of a Management Board Member, which lasts above five business days, the President of the Management Board may appoint another Management Board Member to supervise the area assigned to the absent Management Board Member

6.3 PLANNING MANAGEMENT BOARD MEETINGS

- 6.3.1 The register of matters included in the agenda of the Management Board meeting shall be maintained by the unit responsible for the service of the Company's authorities pursuant to the Organizational Regulations.
- 6.3.2 The President of the Management Board shall set the agenda based on requests addressed by individual Management Board Members.



- 6.3.3 Materials attached to the requests referred to in clause 6.3.2, to be reviewed by the Management Board, shall be complete and should include, in particular, the required analyses and opinions.
- 6.3.4 The President of the Management Board shall convene a Management Board meeting two days prior to the planned date of the Management Board meeting. The unit responsible for the service of the Company's authorities shall immediately submit to the Management Board Members a notice on convening a Management Board meeting together with the agreed agenda and the materials referred to in clause 6.3.3. The communicated agenda may be changed by the President of the Management Board, of which the unit responsible for the service of the Company's authorities shall immediately inform the other Management Board Members.
- 6.3.5 In justified cases, the President of the Management Board may convene meetings one day prior to the planned meeting date. This shall be deemed as a correctly convened meeting on the condition of providing Management Board Members, within this deadline, with the agenda and the materials referred to in clause 6.3.3.
- 6.3.6 The Management Board may accept periodical meeting schedules along with a definition of their subject. In case of Management Board meetings provided for in the schedule, notifications about convening the meeting shall not be necessary on the condition that the schedule and the materials referred to in clause 6.3.3 have been provided to all Management Board Members.
- 6.3.7 Detailed rules of preparation and flow of documents being the subject of the Management Board meetings are regulated in *PROG 00041 Procedure on Preparation and Flow of Documents Handled during Management Board Meetings*.

6.4 ORGANIZATION OF MANAGEMENT BOARD MEETINGS

- 6.4.1 Management Board meetings shall be convened by the President of the Management Board on his/her own initiative or on request of a Management Board Member. During the absence of the President of the Management Board, Management Board meetings shall be convened by the Management Board Member entitled to replace the President of the Management Board pursuant to the provisions of clause 6.2.13.
- 6.4.2 Management Board meetings shall be conducted by the President of the Management Board, or the Management Board Member appointed by the latter. In case of an absence of the President of the Management Board and the appointed Management Board Member, Management Board meetings shall be conducted by the Management Board Member authorized to replace the President of the Management Board, pursuant to the provisions of clause 6.2.13.
- 6.4.3 During a Management Board meeting, a Management Board Member may participate in the discussion and cast votes using direct distance communication means, if he/she cannot be physically present during the meeting.
- 6.4.4 The President of the Management Board shall decide about the presence of persons not being Management Board Members during a Management Board meeting or, in his/her absence – the Management Board Member who is running the meeting.
- 6.4.5 Subject to clause 6.4.7, it is permissible to amend the agenda of the Management Board meeting during this meeting.
- 6.4.6 Subject to clause 6.4.7, it is permissible to conduct a Management Board meeting *ad hoc*, without a formal convention, if all Management Board Members have been effectively notified about the meeting and none of Management Board Members raised objections as to conducting the meeting and the proposed agenda.
- 6.4.7 Resolutions may be adopted in spite of a lack of formally convening the meeting and in cases not provided for in the agenda included in the notification about convening the meeting, if all Management Board Members have been notified about the resolution and none of the Management Board Members raised any objections as to the voting over the given resolution.
- 6.4.8 The President of the Management Board or the Management Board Member appointed pursuant to clause 6.4.2 may order, prior to or during the Management Board meeting, the placement of devices allowing to record sound and vision such as a telephone, a dictation machine, MP player, camera, or other recording equipment.
- 6.4.9 The order described in clause 6.4.8 may concern all participants of the Management Board meeting or those indicated by the person conducting the meeting.
- 6.4.10 The location to place the equipment defined in clause 6.4.8 shall be indicated by the Company.
- 6.4.11 Each Management Board meeting shall be subject to minutes.
- 6.4.12 Minutes shall be signed by Management Board Members present at the meeting, not excluding those who presented any objections or who were temporarily absent during adopting any of the resolutions.
- 6.4.13 Management Board Members absent during a meeting shall confirm the acknowledgment of the content of the minutes by way of signing the original minutes.



- 6.4.14 Minutes along with resolutions and materials prepared for the Management Board meeting shall be stored by the unit responsible for the service of the Company's authorities in the Book of Minutes. The Book of Minutes may be viewed by:
- a. Management Board Members,
 - b. Supervisory Board,
 - c. authorized employees of the Company.

6.5 ADOPTING RESOLUTIONS

- 6.5.1 All matters exceeding the scope of ordinary activities of the Company shall require a resolution of the Management Board. The Management Board shall also adopt resolutions on all other matters which it deems significant.
- 6.5.2 Resolutions of the Management Board shall be required, in particular, in case of:
- 6.5.2.1 acquisition or disposal, by the Company, of the following components of assets:
- a. real estate, perpetual usufruct or share in real estate, or share in perpetual usufruct,
 - b. stocks, shares or other interest.
- 6.5.2.2 incurring credits and loans,
- 6.5.2.3 granting, by the Company, guarantees and sureties and issuance of promissory notes,
- 6.5.2.4 making donations and debt relief,
- 6.5.2.5 concluding agreements not related to the Company's subject of activity as defined in the Company's Articles of Association,
- 6.5.2.6 establishing the proxies,
- 6.5.2.7 establishing the Company's proxies to incur liabilities exceeding PLN 400 000, excluding:
- a. powers of attorney to conclude agreements or incur liabilities related to transactions in electricity and gas trade, related products and rights related thereto as well as to purchase and sale of fuel and raw materials for production,
 - b. power of attorney *ad litem*.
- 6.5.2.8 approving the Management Board Regulations,
- 6.5.2.9 approving the Company's Organizational Regulations,
- 6.5.2.10 establishing and closing branches,
- 6.5.2.11 incorporating another company,
- 6.5.2.12 approving the Company's annual and multi-annual financial plans, including investment, marketing, and sponsoring plans,
- 6.5.2.13 approving the rules of conducting sponsoring activity,
- 6.5.2.14 adopting the Company's development strategy,
- 6.5.2.15 establishing the manner of exercising the voting right during general meetings or meetings of partners of companies, in which the Company has stocks or shares,
- 6.5.2.16 advance payment of expected dividends,
- 6.5.2.17 matters related to the appointment or designation, dismissal, or suspension of Management Board Members in subsidiaries and the appointment, dismissal of Supervisory Board Members in subsidiaries and the delegation of Supervisory Board Members of subsidiaries to temporarily perform the duties of Management Board Members,
- 6.5.2.18 approving documents submitted by the Management Board to the Supervisory Board.
- 6.5.3 Notwithstanding matters listed in clauses 6.5.1 and 6.5.2, resolutions of the Management Board shall be required in each case when the Management Board is seeking to be resolved by the Supervisory Board or the General Meeting.
- 6.5.4 The Management Board shall adopt resolutions with an absolute majority of votes. In case of even votes, the vote of the President of the Management Board shall decide.
- 6.5.5 Resolutions of the Management Board may be adopted if all Management Board Members have been properly notified about the meeting of the Management Board, including in the manner defined in clause 6.4.6, or about ordering the voting in the manner defined in clause 6.5.10.
- 6.5.6 The Management Board Member shall have the right to submit a dissenting opinion for the record, stating reasons.
- 6.5.7 Should the result of the voting raise justified doubts, the Management Board may reassume voting. A relevant request may be submitted only during the meeting, during which voting took place, prior to starting on the agenda item following the item for which the voting is to be reassumed. The Management Board shall decide about reassuming the voting on request of at least one Management Board Member.



- 6.5.8 Voting on resolutions is open.
- 6.5.9 A secret voting shall be ordered at the request of a Management Board Member.
- 6.5.10 The Management Board may also adopt resolutions in writing or using means of direct distance communication.
- 6.5.11 Voting in modes discussed in clause 6.5.10 shall be ordered by the President of the Management Board, and in case of his absence, by another Management Board Member, pursuant to the provisions of clause 6.2.13, defining the final date for Management Board Members to cast their votes.
- 6.5.12 The request and the draft resolution shall be presented to the Management Board Members in writing or by e-mail, or in any other manner that allows the content to be known.
- 6.5.13 Voting in writing shall be conducted as follows: every Management Board Member, after having received the draft resolution, shall cast his/her vote by way of writing 'for', 'against' or 'abstained' under the text of the resolution, providing his/her signature, and entering the date of voting next to it.
- 6.5.14 Voting by means of direct distance communication shall be conducted when the Management Board Members are not present in one place, but can communicate by telephone, e-mail, internet communicator or any other technical means ensuring direct communication.
- 6.5.15 The commencement of a formal voting through the means of direct distance communication may be preceded by a discussion on a presented draft resolution along with the justification. In case of any proposals of amendments to the draft resolution, the definitive version of the draft shall be prepared by the President of the Management Board (or another Member of the Management Board as referred to in clause 6.5.11, and voting shall be ordered).
- 6.5.16 Taking the vote of Management Board Members during voting with the use of means of direct distance communication shall take place in the manner indicated by the President of the Management Board or the Management Board Member referred to in clause 6.5.11.
- 6.5.17 Immediately after the completion of voting in the modes set out in clause 6.5.10, the unit responsible for the service of the Company's authorities shall inform the Management Board Members of the results of such voting.
- 6.5.18 Resolutions adopted in the modes defined in clause 6.5.10 shall be signed by the Management Board Members who participated in adopting resolutions in this mode.
- 6.5.19 Resolutions adopted under the procedures set out in clause 6.5.10 shall be presented on the next Management Board meeting, stating the result of the vote.
- 6.5.20 In case of any conflict of the Company's interest with the personal interest of the Management Board Member, his/her spouse or persons in cohabitation, the Management Board Member should inform other Management Board Members about existing or potential conflict of interest and refrain from participating in the discussion and voting over the resolution concerning the case affected by the conflict of interest and, in justified cases, should not have access to materials concerning the case affected by the conflict of interest, and should not be present during such discussions.

6.6 SUPERVISION OVER EXECUTION OF DECISIONS

- 6.6.1 Within the scope of their competences defined in the Regulations or in Management Board regulations, Management Board Members shall be responsible for content-related supervision over the execution of Management Board resolutions.
- 6.6.2 Once every quarter, the unit responsible for servicing the Company's authorities provides the Management Board with information on the status of implementation of the Management Board's resolutions.
- 6.6.3 Pursuant to the Organizational Regulations, the PGE Financial Controlling Department, on each request of the Management Board, presents an analysis of the economic and financial standing of the Company and the progress of execution of annual scheduled tasks, at least once every quarter.

6.7 LABOUR LAW DUTIES

- 6.7.1 The President of the Management Board or a duly authorized person appointed thereby shall perform, in the Company's name, all duties within the scope of the labour law.

6.8 ADDITIONAL PROVISIONS

- 6.8.1 Whenever the value of a given right, asset, agreement or liability is expressed in a currency other than PLN (polish zloty), for the purpose of applying the provisions of the Regulations, its equivalent expressed in PLN shall be adopted, calculated based on the average exchange rate of PLN to the given foreign currency announced by the National Bank of Poland on the day preceding the adoption by the Management Board of the relevant resolution.



- 6.8.2 Whenever these Regulations mention the value of liabilities or contracts, net amounts shall be taken into account.
- 6.8.3 Whenever these Regulations mention the conclusion of the agreement, then to define its value the following should be adopted:
 - a. in case of an agreement concluded for a defined period – the total value of considerations under such agreement, throughout its entire duration,
 - b. in case of an agreement concluded for an undefined period – the total value of considerations resulting from the concluded agreement, during a period of 5 years.
- 6.8.4 If it is not possible to determine the value of the contractual services, the estimated contract value should be determined.
- 6.8.5 Whenever these Regulations mention a value – in the absence of other basis resulting from the Articles of Association or these Regulations, or applicable laws – the estimate value shall be defined.

6.9 APPLICABILITY

- 6.9.1 These Company Management Board Regulations shall enter into force on the date of approval by the Supervisory Board.