



ZESPÓŁ ELEKTROCIEPŁOWNI WROCŁAWSKICH

**KOGENERACJA SA**

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**REGULATIONS**  
**OF THE SUPERVISORY BOARD**  
**OF ZESPÓŁ ELEKTROCIEPŁOWNI WROCŁAWSKICH**  
**KOGENERACJA S.A.**  
**with its registered office in Wrocław**

**Legal basis:**

1. The Commercial Companies Code
2. Act on Rules of State Property Management
3. The Articles of Association of Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A.

Regulations adopted by the Supervisory Board  
by force of Resolution No. 49/696/2018 of 13 December 2018

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## I. GENERAL PROVISIONS

### § 1

1. Regulations of the Supervisory Board of Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A. ("**Company**") specify in detail the organisation of the Board and its manner of performing actions. The Regulations are adopted by the Supervisory Board.
2. The Supervisory Board shall exercise ongoing supervision over all activities of the Company in all areas of its activity.
3. The Supervisory Board acts on the basis of provisions of law, in particular on the basis of the Commercial Companies Code (the "**CCC**") as well as the Company's Articles of Association, these Regulations and other internal regulations applicable in the Company, in particular the General Procedure of Servicing Bodies in the PGE Capital Group.
4. Possible doubts concerning the interpretation of these Regulations shall be resolved in such a way as to ensure the fullest possible compliance of these Regulations with the General Procedure for Servicing Bodies in the PGE Capital Group.
5. The Supervisory Board shall not have the right to give any binding instructions to the Management Board in respect of managing the Company's affairs.
6. The Supervisory Board shall perform its responsibilities collectively. It may nevertheless delegate its members to independently perform specific supervisory tasks.
7. The Supervisory Board members exercise their rights and duties in person, subject to the provisions of the Articles of Association, these Regulations and relevant provisions of law.

## II. COMPOSITION, TERM OF OFFICE AND THE RULES OF APPOINTMENT AND REMOVAL OF THE BOARD

### § 2

1. The term of office of the Supervisory Board members shall be 3 (three) years.
2. A person who meets the following requirements may become a member of the Supervisory Board:
  - 1) has a university degree or a university degree obtained abroad recognised in the Republic of Poland on the basis of separate regulations and has at least 5 years of employment on the basis of a contract of employment, appointment, election, nomination or cooperative contract of employment or provision of services on the basis of another contract or execution of own business activity, and meets at least one of the following requirements:
    - a) holds a degree of doctor [a degree similar to PhD] in economic, legal or technical sciences;
    - b) holds a professional title of attorney-at-law, advocate, statutory auditor, tax adviser, investment adviser or restructuring adviser;
    - c) graduated from the Master of Business Administration (MBA);
    - d) holds a diploma issued by Chartered Financial Analyst (CFA);
    - e) holds a diploma issued by Certified International Investment Analyst (CIIA);
    - f) holds a diploma issued by Association of Chartered Certified Accountants (ACCA);
    - g) holds a diploma issued by Certified in Financial Forensics (CFF);

- h) has a confirmation of passing the examination before a committee appointed by the Minister of Ownership Transformation, Ministry of Industry and Commerce, Minister of State Treasury or a Selection Board established pursuant to Art. 15(2) of the Act of 30 April 1993 on National Investment Funds and their Privatisation (Dz. U. [Journal of Laws item 202, as amended);
    - i) has a confirmation of passing the examination before a committee appointed by the minister responsible for the State Treasury pursuant to Art. 12(2) of the Act of 30 August 1996 on Commercialisation and Privatisation (Dz. U. [Journal of Laws] of 2016, item 981 and 1174);
    - j) passed an examination for candidates for members of supervisory bodies before an examination committee appointed by the Prime Minister;
  - 2) is not in an employment relation with the Company and does not provide work or services for the Company on the basis of another legal relationship;
  - 3) does not hold shares in the subsidiary, except for shares admitted to trading on a regulated market within the meaning of the Act on Trading in Financial Instruments of 29 July 2005;
  - 4) is not in an employment relation with the subsidiary and does not provide work or services for the subsidiary on the basis of another legal relationship;
  - 5) does not perform activities which would be in conflict with duties as a member of the Supervisory Board or which could cause a suspicion of partiality or self-interest or give rise to a conflict of interest in relation to the Company's activities;
  - 6) meets the requirements for a member of the Supervisory Board other than those listed in item 1–5, specified in separate regulations.
4. The restrictions referred to in 3(4) shall not apply to the membership in the supervisory bodies.
5. A person who meets at least one of the following conditions may not be a member of the Supervisory Board:
  - 1) acts as person who performs at the office of a deputy or a senator an unremunerated assistant service or is employed in an office of a deputy, senator, or a deputy to the European Parliament on the basis of a contract of employment or under contract of mandate or any other contract of a similar nature;
  - 2) is a member of a body of a political party externally representing the political party who is entitled to make commitments;
  - 3) is employed by a political party on the basis of a contract of employment or provides work on the basis of a contract of mandate or any other contract of a similar nature.
6. A candidate for a member of the Supervisory Board shall have a positive opinion of the Council on the companies with the state treasury's share and state legal persons [Rada do spraw spółek z udziałem Skarbu Państwa i państwowych osób prawnych] referred to in Act on Rules of State Property Management and meet the requirements set out in section 3 and 5 above.
7. The requirement to have a positive opinion of the Council on the companies with the state treasury's share and state legal persons referred to in Article 24(1) of the Act of 16 December 2016 on the Rules of State Property Management, the requirement to meet the conditions set out in section 3 and the prohibition to remain in an employment relationship, referred to in 3(2)(4) does not apply to persons elected to a supervisory body by employees.
8. The Management Board of the Company shall apply for an opinion on the candidate for a member of the Supervisory Board. Council on the companies with the state treasury's share and state legal persons shall issue the said opinion within 7 days from the date of the receipt of the motion, and failure to take a position within this period shall be tantamount to issuing a positive opinion.
9. In the event of a result of removal, death or resignation of member of the Supervisory Board elected by the employees, by-elections shall be held. The by-elections shall be announced by the Supervisory Board within 1 (one) month from the moment it obtains information on the circumstances justifying such by-elections. By-elections should be held within 1 (one) month after they have been announced by the Supervisory

Board. However, until the Supervisory Board vacancies are filled by member elected by the employees, the resolutions passed by the Supervisory Board shall be valid.

10. The Supervisory Board shall adopt election rules to set out a detailed procedure for electing and removing Supervisory Board member elected by the Company's employees and for holding by-elections. Regardless election rules, removal of the Supervisory Board member elected by the Company's employees may also occur in events and procedure indicated in general provisions of law or in Articles of Association of the Company.
11. The elections referred to in section 1(b) shall be direct and held by secret ballot subject to the principle of generality. The elections are held by the Election Committee appointed by the Supervisory Board from among the Company's employees employed in the given branch/permanent establishment. A candidate for a member of the Supervisory Board or a previous member of the Supervisory Board elected by the employees cannot sit on the Election Committee.
12. The Supervisory Board shall announce elections of member of the Supervisory Board to be elected by employees of the Company for subsequent term of office no later than within 2 (two) months from the end of the last financial year of the Supervisory Board member's term of office.

### **§ 3**

1. The mandates of the Supervisory Board members shall expire:
  - a) after the expiry of the term of office on the day of the Shareholders Meeting, during which the financial report for the last financial year of their activity is approved,
  - b) during the term of office – in case of death, resignation or removal of a Supervisory Board member.
2. The resignation referred in to 1(b) hereinabove shall be submitted in writing either to the Management Board with the courtesy copy to the Chairperson of the Supervisory Board or to its Vice-Chairperson.

### **§ 4**

1. Members of the Supervisory Board may be granted remuneration. The remuneration and the rules of its granting shall be determined by the Shareholders Meeting in a resolution subject to the provisions of law, in particular on the rules of state property management. Members of the Supervisory Board shall be entitled to reimbursement of costs incurred in connection with serving on the Board.
2. A Supervisory Board member cannot be employed by the Company neither can they render any work or services to the Company under any other legal basis. The ban on employment at the Company does not apply to Supervisory Board member elected by the Company's employees.
3. A Supervisory Board member cannot take any action, which would be contrary to his/her duties or could raise a suspicion of partiality or self-interest. Holding an electable position in a trade union is also this kind of activity.

## **III. TASKS OF THE SUPERVISORY BOARD, SCOPE OF RIGHTS AND COMPETENCIES**

### **§ 5**

The fundamental duty of the Supervisory Board is ongoing and permanent supervision over all of the Company's operations in accordance with the provisions of the Commercial Companies Code and related legal regulations.

### **§ 6**

Within the scope of its duty of constant supervision over the Company's activity, the Supervisory Board shall have the right to inspect every sphere of the Company's activity and can require reports and explanations from the Management Board and the Company employees; it may also carry out property revisions and check the books and documentation.

## § 7

The responsibilities of the Supervisory Board shall include, in particular:

### **1. Responsibilities referring to annual financial statements:**

- 1) Evaluating Management Board reports on the operations of the Company and the Management Board proposals regarding the distribution of profit or coverage submitted to the Shareholders Meeting;
- 2) Evaluating financial statements for their conformity with both the books and documents, and with the actual situation;
- 3) Submitting a written report to the Shareholders Meeting on the results of activities referred to in item 1 and 2;
- 4) Appointing a certified auditor to audit financial statements;
- 5) Adopting the Company's budget;
- 6) Approving strategy plan and areas for development of the Company;

### **2. Responsibilities relating to Management Board and Management Board Members**

- 1) Appointment of the members of the Management Board after a prior qualification procedure, the purpose of which is to check and assess the qualification of candidates and to select the best candidate for the position of the Member of the Management Board;
- 2) Termination of the appointment of the Management Board members;
- 3) Suspending any or all members of the Management Board from duty for important reasons by secret ballot;
- 4) Delegating a member or members of the Supervisory Board to temporarily perform duties of a Company's Management Board member where a given member or all Management Board members were suspended or removed or when the members of the Management Board may not fulfil their duties for any other reasons,
- 5) Approving the Management Board Regulations and giving opinions on the organisational regulations, which set forth the organisation of the Company's enterprise;
- 6) Determining the remuneration for members of the Management Board in accordance with the principles defined by the Shareholders Meeting and concluding and terminating management services with members of the Management Board as well as representing the Company in agreements with members of the Management Board and in disputes with them;
- 7) Giving authorisation, upon request of the Management Board, to members of the Management Board holding positions in the governing bodies of companies, in which the Company is a shareholder and to receiving remuneration on account of that.

### **3. The following matters referring to the management of Company affairs shall require a resolution of the Supervisory Board at the request of a motion of the Management Board:**

- 1) Disposal and acquisition of real property, perpetual usufruct rights or an interest in real property for values over PLN 1,000,000 (one million zloty);
- 2) Disposal of fixed assets exceeding a contractual value of PLN 20,000,000 (twenty million zloty);
- 3) Incurring credit and loans, providing loans, guaranties and sureties, issuance of promissory notes, issuance of bonds or commercial bills exceeding a single value of PLN 40,000,000 (forty million zloty) as well as when the amount of liabilities of the Company under one or all transactions of this type with the same entity exceeding PLN 40,000,000 (forty million zloty);

- 4) Giving consent to implementing development investments resulting in the creation of new fixed assets, the value of which exceeds PLN 10,000,000 (ten million zloty);
- 5) Purchase or sale of commercial papers and bonds exceeding a single contractual value of PLN 40,000,000 (forty million zloty) as well as the amount of liabilities of the Company under one or all transactions of this type with the same entity exceeding PLN 40,000,000 (forty million zloty);
- 6) Giving consent to concluding FX forward transactions exceeding a single contractual value of PLN 20,000,000 (twenty million zloty) as well as when the amount of liabilities of the Company under one or all transactions of this type exceeding PLN 80,000,000 (eighty million zloty), except for FX forward hedging transaction connected with purchase/sale CO<sub>2</sub> allowances with Group Companies;
- 7) Incurring liabilities and concluding contracts regarding the sale, purchase, disposal of energy, heat, fuels and transport of fuels, CO<sub>2</sub>, CER, certificates of origins for values over PLN 50.000.000 (fifty million zloty) except for transactions with Group Companies.
- 8) Performing one or more other interrelated transactions for value over PLN 20,000,000 (twenty million zloty) and undertaking other actions resulting in the Company incurring financial liabilities in excess PLN 20,000,000 (twenty million zloty), which require the resolution of the Management Board except for:
  - a) Purchase or sale of commercial papers of Group Companies;
  - b) Purchase or redemption of investment fund units.
- 9) Acquisition of and/or subscription for any rights, shares and/or other participation units in all legal entities (in particular in companies);
- 10) Concluding an agreement for legal, marketing, public relations and social communication as well as management consulting services, if the amount of remuneration provided for jointly provided services exceeds PLN 500,000 net (five hundred thousand zloty) per annum;
- 11) Amendment of an agreement for legal, marketing, public relations and social communication as well as management consulting services increasing the fee of the amount referred to in item 10;
- 12) Conclusion of an agreement for legal, marketing, public relations and social communication as well as management consulting services where the maximum the fee is not provided for;
- 13) Conclusion of donation agreements or other agreements of similar effect with a value exceeding PLN 20,000 (twenty thousand zloty) or 0.1% of total assets within the meaning of the Accounting Act of 29 September 1994 established on the basis of the last approved separate financial statements;
- 14) Conclusion of debt relief agreements or other agreements of similar effect with a value exceeding PLN 50,000 (fifty thousand zloty) or 0.1% of total assets within the meaning of the Accounting Act of 29 September 1994 established on the basis of the last approved separate financial statements.

**4. Additional duties relating to the management of the Company's affairs and representation of the Company:**

- 1) Giving consent, upon request of the Management Board to establish or liquidate other companies or foreign branch offices of the Company;
- 2) Authorising the Company, upon request of the Management Board, to initiate court or arbitration proceedings or to enter into settlement, provided that such proceeding or the settlement relate to cases where the total value of claims exceeds the amount of PLN 2,000,000 (two million zloty);
- 3) Consenting, upon the request of the Management Board, to the Company acquiring or disposing of shares in companies, as well as defining the conditions and procedure for such transactions;
- 4) Granting consent, upon request of the Management Board, to the Management Board to pay interim dividend to the shareholders;
- 5) Consenting, upon the request of the Management Board, to the exercise of the voting right attached to shares or other rights held by the Company in a given entity, in particular at shareholders meetings in other companies, if it was connected with the disposal of a right or assumption of an obligation by the given company, with a value exceeding PLN 20,000,000 (twenty million zloty), or in the case of development investments, as a result of which new fixed assets are to be created with aggregate value that would exceed PLN 10,000,000 (ten million zloty);
- 6) Consenting, upon the request of the Management Board, to the conclusion of a social contract/adoption of a social plan and other regulations laying down the social policy and stipulating obligations on the part of the Company with a value exceeding PLN 20,000,000 (twenty million zloty).

**5. Duties relating to the convening and opening of Shareholders Meetings:**

- 1) A Shareholders Meeting shall be convened by the Supervisory Board:
  - a) If the Management Board fails to convene an Ordinary Shareholders Meeting within the prescribed time limit;
  - b) If the Supervisory Board deems it necessary to convene an Extraordinary Shareholders Meeting.
- 2) Opening of the Shareholders Meeting by the Chairperson of the Supervisory Board or a person designated by them.

**6. Other duties of the Supervisory Board:**

- 1) Providing opinions on any requests of the Management Board addressed to the Shareholders Meeting;
- 2) Adopting, in the form of a resolution, a consolidated version of the Company's Articles of Association as prepared by the Management Board for internal purposes of the Company;
- 3) Upon the request of the Management Board, consenting to the adoption of an audit plan as well as risk tables and maps. In justified cases, the Supervisory Board shall be authorised to appoint an expert to audit the Company's particular lines of business;
- 4) Upon the request of the Management Board, consenting to the appointment of commercial proxies and/or the granting of powers of attorney authorising to manage the Company's enterprise or a part of it;
- 5) Providing opinion on the Management Board report on representation expenses as well as expenditure on legal services, marketing services, public relations and social communication services and management consulting services.



## IV. ORGANISING AND CHAIRING MEETINGS OF THE SUPERVISORY BOARD

### § 8

1. The Supervisory Board shall conduct the supervision over the activities of the Company through its meetings.
2. The Chairperson of the Supervisory Board shall be appointed and dismissed by the Supervisory Board, from among its members, by a secret ballot.
3. The Supervisory Board appoints and removes, among the Supervisory Board members, the Vice-Chairperson by a secret ballot. In the same manner, the Supervisory Board may appoint and remove Secretary of the Board.
4. The meetings of the Supervisory Board shall be chaired by the Chairperson of the Supervisory Board.
5. In case of absence or inability of the Chairperson to act, the Vice-Chairperson of the Supervisory Board or a person designated by them shall perform their duties. If such a person is not appointed, the function shall be performed by the Member of the Supervisory Board who has been the longest serving on the Supervisory Board of the Company. The term of office in more than one term of office shall be added up.

### § 9

1. The Supervisory Board shall hold its meetings at least 3 (three) times during each financial year.
2. Motions of the Management Board submitted for the Supervisory Board meeting shall be prepared by the relevant organisational units and submitted to the Supervisory Board after prior approval by the relevant member of the Management Board and acceptance by the Management Board.
3. Motion submitted to the Supervisory Board shall:
  - a) in the case of a motion for adopting a resolution – contain a justification, draft resolution, approval of an attorney-at-law/lawyer, opinion of the relevant organisational unit of Centrum Usług Wspólnych and, in cases requiring it, additional appendices (presentation or other materials);
  - b) in the cases of information concerning current affairs submitted to the meeting of the Supervisory Board – be approved by the appropriate director of the unit.
4. Motions shall be prepared in Polish.
5. Motions to be examined shall be submitted with the Department of Organisation no later than 14 (fourteen) days before the planned meeting of the Supervisory Board in writing.
6. On the day of submitting the motion, the proposer shall send the electronic version of the motion (editable and scanned) to the Department of Organisation.
7. In justified cases, the time limit, by which a motion should be submitted, may be shortened.
8. The Department of Organisation shall review submitted motions from formal and legal point of view. In the event of the submission of material that is formally incomplete or contains errors, the Department of Organisation shall return the motion, indicating the reason of the return.
9. The Management Board of the Company and each member of the Supervisory Board shall have the right to convene the meeting of the Supervisory Board at the same time presenting the proposed agenda to the Chairperson of the Supervisory Board and to the Department of Organisation.
10. Upon receipt of a request to convene a meeting of the Supervisory Board, the Department of Organisation on the basis of submitted and verified requests and matters resulting from the Supervisory Board work plan adopted by the Supervisory Board prepares a draft notice of convening a meeting of the Supervisory Board.

11. The Chairperson of the Supervisory Board shall convene a meeting of the Supervisory Board, approving a notice on convening a meeting of the Supervisory Board containing detailed agenda, within two weeks of receiving a request to convene a meeting of the Supervisory Board.
12. The notice on convening the Supervisory Board meeting that includes a detailed agenda and motions to be examined shall be delivered to the members of the Supervisory Board by the Department of Organisation. The Department of Organisation shall inform the Management Board and the Company's employees relevant to the matters on the agenda of the Supervisory Board meeting about the date and place of the meeting and the agenda to the relevant extent.
13. Members of the Board are obliged to notify the Chairperson, Vice-Chairperson or Secretary of any changes to address, fax number and email address used for sending notices about meetings of the Board. The Chairperson, Vice-Chairperson or Secretary shall communicate this information to the Department of Organisation. If a new address is not provided, notices sent to the previous address shall be deemed to have been duly received.
14. The course of the meetings of the Supervisory Board shall be translated into English.
15. A new item may be added on the agenda during the meeting if all Supervisory Board members are present as well as through video or teleconference at the meeting. Changes to the agenda shall be adopted by the Supervisory Board in an open voting.
16. Meetings of the Supervisory Board shall, in the first instance, be held at the registered office of the Company or, possibly, at the registered offices of permanent establishments/branches, in Warsaw or exceptionally, at another place according to the choice of the person authorised to convene the meeting or the Chairperson.
17. Meetings of the Supervisory Board may also be conducted with the use of means of distant remote communication. In case of any doubts, if the meeting is conducted with the use of means of distant remote communication, the place of the residence of the Chairperson shall be deemed as the place of the meeting.
18. A Supervisory Board member, who is incapable of participating in the meeting, should, if possible, notify the Chairperson, Vice-Chairperson or the Secretary of the Board and give reasons for this absence. The Supervisory Board may justify the absence by way of a resolution.
19. Management Board members and other persons relevant for the discussed matters may be invited to the meetings of the Supervisory Board. In duly justified cases, the Board may appoint experts and consultants for the purpose of performance of its supervisory tasks.
20. A meeting of the Supervisory Board shall be deemed valid, even without notice, if all Board members are present and none of them objects to the holding of the meeting.

## **§ 10**

1. Members of the Supervisory Board shall be recorded by a recording clerk appointed by the chairman of the meeting. The minutes should contain: (i) identification – a consecutive number followed by a Roman numeral reflecting a given term of office and the calendar year; (ii) date; (iii) place; (iv) agenda; (v) full names of the members present and absent, invited persons; (vi) wording of resolutions passed, procedure for passing resolutions, number of votes; and (vii) representations, including reported dissenting opinions. All pages contained within the body of the minutes and appendices should be numbered. It shall be indicated in the minutes if a Management Board member participates in the meeting pursuant to § 11(5).
2. All Supervisory Board members present at the meeting shall sign a list of attendance. The list of attendance constitutes an attachment to the minutes of the meeting of the Board. The list of attendance may be replaced by the minutes of the meeting provided that all members of the Supervisory Board were present and participated in all ballots.
3. All Board members present at a given meeting shall sign the minutes at the subsequent meeting, upon approval of the minutes by the Board, subject to possible modifications and supplements.
4. Board members absent at the meeting shall receive the signed minutes together with appendices.

5. The minutes shall be kept in a separate minute book and stored at the registered office of the Company. The minutes book shall be kept in the form of a file containing a set of minutes of the meetings of the Supervisory Board together with appendices constituting an integral part of the minutes.

## V. PROCEDURE FOR PASSING RESOLUTIONS BY THE SUPERVISORY BOARD

### § 11

1. The Supervisory Board shall take its decisions in the form of resolutions.
2. The Supervisory Board shall pass resolutions by a simple majority of votes, provided that at least half of the members of the Supervisory Board are present at the meeting and all its members have been invited. In the event of equality of votes, the Chairman of the Supervisory Board shall have the casting vote.
3. Resolutions of the Supervisory Board, if required by substantive, legal, procedural or other reasons, may be in the form of a separate document equivalent to an excerpt from the minutes of the meeting of the Board. Such resolutions are signed by the Chairperson or Vice-Chairperson and then by the Secretary of the Board, if appointed.
4. Members of the Supervisory Board may take part in the passing of resolutions by the Supervisory Board by casting their votes in writing through other member of the Supervisory Board, a vote in writing may not concern:
  - a) Matters put on the agenda during the meeting of the Supervisory Board;
  - b) The election and removal of the Chairperson and Vice-Chairperson and Secretary;
  - c) Suspension of the Chairperson and Vice-Chairperson of the Supervisory Board; or
  - d) Appointment, removal or suspension of a member of the Management Board.
5. Meetings of the Supervisory Board may be held with use of means of distant remote communication in a manner enabling communication of all participants, particularly by means of a videoconference. Such a procedure shall not apply in cases stipulated in 4(b–d). In cases of use of means of distant remote communication, provisions of section 7–11 may apply accordingly.
6. The Supervisory Board may pass resolutions by way of written communication or using electronic mail, means of direct remote communication, including conference calls. A resolution shall be valid if all members of the Supervisory Board have been informed of the contents of the draft resolution. Such procedure for passing resolutions shall not apply to circumstances described in 4(b–d).
7. Voting in written form, via email or with the use of means of direct remote communication shall be ordered by the Chairperson of the Supervisory Board or the member of the Management Board authorised by the Chairperson of the Supervisory Board at own initiative or upon request of another Board member. Voting in this manner shall be conducted by submitting by a person authorised by the Chairperson or the Vice-Chairperson an unambiguous notification, from which the subject of the voting shall be stated (content of the resolution and other necessary documents) and the deadline for casting a vote. A vote shall be cast by sending a clear statement on the vote (“FOR”, “AGAINST”, “ABSTAIN”) in a form corresponding to the notification received to the sender of the notification. Date of receiving statement regarding the vote by the sender of the notification is important regarding meeting of the deadline
8. In duly justified cases, deadline for casting the vote may be shortened by the Chairman, about which the members of the Supervisory Board shall be previously notified by the Chairman.
9. The Chairperson of the Board or Secretary authorised by the Chairperson or Vice–Chairperson shall count the votes.

10. The resolution(s) shall be deemed valid if passed according to the rules for passing resolutions set forth in sec. 2 hereinabove, provided that at least half of the Supervisory Board members cast their votes before the deadline.
11. Each member of the Supervisory Board shall be informed about the result of the voting held in accordance with the above procedure by way of a notice submitted by the Chairman of the Board, Secretary authorised by the Chairman or Vice-Chairman. Such notice should be provided to each Board member in person or via fax or email on the business day after the lapse of the deadline stipulated for casting a vote.
12. The resolution(s) shall be deemed passed at the date of execution, by the Chairperson or Secretary authorised by the Chairperson or Vice-Chairperson, of the notice specified in section 13 hereunder.
13. The Chairperson of the Board or Secretary authorised by the Chairperson or Vice-Chairperson shall prepare minutes of the voting in accordance with the procedure indicated in section 6. The minutes shall be signed by all Board members present at the subsequent meeting of the Board.
14. The Chairperson of the Supervisory Board should give positive opinion on the agenda of the Shareholders Meetings proposed by the Management Board.
15. Except for the cases specified herein, voting at the meetings of the Board shall be open. At the request of even one member of the Board, the Chairperson will order a secret ballot.
16. Resolutions of the Board shall be identified by a consecutive number followed by a Roman numeral reflecting a given term of office and the calendar year, in which the resolution was passed.
17. The Management Board is responsible for supervising the implementation of resolutions and recommendations of the Supervisory Board. The Department of Organisation shall provide the Supervisory Board with information on the status of implementation of resolutions and recommendations within the time limits agreed with the Supervisory Board. The Department of Organisation conducts constant monitoring of resolutions and recommendations and, at the request of the Supervisory Board, presents information on their implementation to it.

## § 12

Decisions of the Supervisory Board taken to settle day-to-day operations of the Supervisory Board may be recorded only in minutes of meetings of the Board.

## VI. SUPERVISORY BOARD COMMITTEES

### § 13

1. The Supervisory Board may appoint, by force of a resolution, permanent or ad hoc committees, which shall act as collective advisory and opinion-forming bodies of the Supervisory Board, whose objective shall be, in particular, providing the Supervisory Board with recommendations and opinions on matters belonging to their respective scopes of operation.
2. The Supervisory Board may, in particular, appoint the following permanent committees: the Audit Committee and the Remuneration Committee. The Audit Committee acts pursuant to the rules as set forth separately in the Regulations of the Audit Committee adopted by the Supervisory Board and the Law on statutory auditors, audit firms and public supervision.
3. Members of a committee shall be appointed by the Supervisory Board from among its members. A committee shall be composed of 2 to 5 members of the Board.
4. The Chairperson of the Remuneration Committee shall be appointed by the Supervisory Board from among its members. The Chairperson shall manage the activities of the committee and represent it in relations with the Company's governing bodies and employees.
5. The mandate of the committee member shall expire simultaneously with the expiry of the mandate of the Supervisory Board member, the submission of a notice of resignation from membership of the committee, or the removal from the committee ordered by the Supervisory Board.

6. The Department of Organisation provides support at the committee meetings.

#### **§ 14**

1. The first meeting of a committee shall be convened by the Chairperson of the Supervisory Board or another member of the Supervisory Board appointed by the Chairperson. Every subsequent meeting shall be convened by the Chairperson of a committee as often as necessary for ensuring such committee's performance of tasks entrusted to it. In the event of the absence of the Chairperson, the meeting of a committee shall be convened by the Chairperson of the Supervisory Board or another member of the Supervisory Board appointed by the Chairperson.
2. The person convening a meeting shall notify all members of a committee and all other members of the Supervisory Board of the date and place of the meeting. Such notification shall be delivered no later than 7 days, and in urgent matters no later than one day, prior to the meeting of a committee. Such notification may be delivered in writing, by e-mail, as well as by using means of direct remote communication.
3. The Chairperson of a committee may invite to its meetings members of the Management Board, the Company's employees and other people, whose participation in a meeting is justified.

#### **§ 15**

Internal decisions, opinions and recommendations of a committee shall be adopted by a simple majority of votes, provided that the meeting is attended by more than half of its members and all of them were duly invited to the meeting. The committee may have meeting in writing or using means of direct remote communication. The Regulations of the committee may specify the indicated principles.

#### **§ 16**

The Remuneration Committee shall be responsible for supporting the process of achieving the Company's strategic objectives by presenting the Supervisory Board with opinions and proposals concerning the designing of the payment policy and remuneration system. The Remuneration Committee shall, in particular, be responsible for the following:

- a) Periodic review and recommendation of the principles of determining motivational remuneration for members of the Management Board and for providing the Supervisory Board with proposals concerning the designing of the same;
- b) Presenting the Supervisory Board with opinions on the determination of remuneration for particular members of the Management Board.

### **VII. FINAL PROVISIONS**

#### **§ 17**

The Supervisory Board members shall be obliged to keep secret all information obtained by them in connection with holding their positions.

#### **§ 18**

1. The costs of operation of the Supervisory Board, including costs of analyses and expertise shall be borne by the Company; this also applies to the costs of providing legal services to the Supervisory Board.
2. The Board shall use the office premises, equipment and materials of the Company.

3. The Company shall provide administrative support to the Supervisory Board accordingly to its instructions, acting in cooperation with the Secretary, and if not appointed with the Chairperson or Vice-Chairperson.

**§ 19**

1. These Regulations shall enter into force on the day of their adoption by the Supervisory Board.
2. On the date of these Regulations becoming effective, the Regulations of the Supervisory Board adopted by the Supervisory Board way of Resolution No. 22/561/2014 of 13 November 2014 shall expire.

**Appendix No. 1**

**VOTING FORM**

**Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A.**

[Date]\_\_\_\_\_

Chairperson of the Supervisory Board

Last name:

First name:

Supervisory Board Member

**Resolution(s) proposed to the vote of the Supervisory Board**

Pursuant to the voting procedure stipulated in § 16(3) of the Articles of Association of the Company and § 11(6) of the Regulations of the Supervisory Board enclosed hereto please find the resolution(s) with the wording as follows below. You are kindly asked to vote in relation to that (these) resolution(s) by returning signed attached voting form to the following: [ADDRESS / FAX NUMBER /EMAIL ADDRESS]: <sup>1</sup> **no later than by** \_\_\_\_\_,

**Resolution No. 1** \_\_\_\_\_

**Resolution No. 2** \_\_\_\_\_

**Resolution No. 3** \_\_\_\_\_

Signature of the Chairperson  
of the Supervisory Board

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<sup>1</sup> Manner of voting shall be ordered by person initiating it.

**VOTING FORM**

**Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A.**

<b>Resolution No. 1/....*</b>	
I vote in favour	
I vote against	
I abstain from voting	
<b>Resolution No. 2/....*</b>	
I vote in favour	
I vote against	
I abstain from voting	
<b>Resolution No. 3/....*</b>	
I vote in favour	
I vote against	
I abstain from voting	

.....  
*Signature, first and last name of the member of the Supervisory Board*

\_\_\_\_\_  
\*Tick the appropriate box, according to your choice