

**RESOLUTION No 580/VI/2020 of the Management Board of ENERGA Spółka Akcyjna (the Company) of
28 May 2020**

**on: adoption of the Remuneration Policy for Members of the Management Board and Supervisory Board
of ENERGA SA**

Acting pursuant to § 14.3.9 in connection with § 17.1.6 of the Company's Articles of Association and in connection with Article 90d (1) of the Act of 29 July 2005 on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies, the Management Board has resolved as follows:

§1

To adopt the Remuneration Policy for members of the Management Board and Supervisory Board of ENERGA SA (hereinafter: Remuneration Policy), attached as Appendix 1 to this resolution.

§2

1. To apply to the General Meeting of Shareholders of ENERGA SA with a motion to adopt the Remuneration Policy as referred to in § 1 above, provided that a positive opinion from the Supervisory Board is obtained.
2. The motion of the Management Board of the Company to the General Meeting of Shareholders of ENERGA SA for adoption of the Remuneration Policy is attached as Appendix 2 to this resolution.

§3

To apply to the Supervisory Board of ENERGA SA with a motion for a positive opinion on the Remuneration Policy and on the motion of the Management Board of the Company to the General Meeting of Shareholders, as referred to in § 1 and § 2 above.

§4

To entrust implementation of the resolution to the Director of the Office of the Management Board.

§5

The Resolution comes into effect upon its adoption.

Number of voters: 5.

The Resolution has been adopted unanimously.

The Management Board of ENERGA SA

Jacek Goliński	<i>/illegible signature/</i>
Marek Kasicki	<i>/illegible signature/</i>
Adrianna Sikorska	<i>/illegible signature/</i>
Dominik Wadecki	<i>/illegible signature/</i>
Iwona Waksmundzka-Olejniczak	<i>/illegible signature/</i>

**The Supervisory Board
ENERGA Spółka Akcyjna****MOTION OF THE MANAGEMENT BOARD OF ENERGA SPÓŁKA AKCYJNA**

Acting pursuant to Article 90d (1) of the Act of 29 July 2005 on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies, the Management Board of ENERGA SA applies to the Supervisory Board for a positive opinion on draft "Remuneration Policy for Members of the Management Board and Supervisory Board of ENERGA SA", and the motion from the Management Board of the Company to the General Meeting of Shareholders of ENERGA SA for adoption of the Policy, attached as appendices to this motion.

REASONS

Pursuant to the Act of 16 October 2019 amending the Act on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies and Certain Other Acts, public companies having their registered office in the territory of the Republic of Poland, were obliged to adopt, by way of a resolution of the general meeting of shareholders, the remuneration policy for the members of the management board and the supervisory board. To fulfil this obligation, the Company has prepared draft "Remuneration Policy for Members of the Management Board and Supervisory Board of ENERGA SA" (hereinafter: Remuneration Policy).

The draft Remuneration Policy presented to the General Meeting was prepared on the basis of Art. 90d of the Act of 29 July 2005 on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies.

The decision to submit this motion was adopted unanimously by the entire Management Board of ENERGA SA in an open vote, by Resolution No 580/VI/2020 of 28 May 2020.

Attachments:

1. Draft Remuneration Policy;
2. Motion of the Management Board to the General Meeting of Shareholders of ENERGA SA on adoption of the Remuneration Policy.

The Management Board of ENERGA SA**Jacek Goliński***/illegible signature/***Marek Kasicki***/illegible signature/***Adrianna Sikorska***/illegible signature/***Dominik Wadecki***/illegible signature/***Iwona Waksmundzka-Olejniczak***/illegible signature/*

Remuneration Policy for Members of the Management Board and Supervisory Board of Energa S.A.

§ 1 Definitions

The terms defined below shall have the following meanings in this Policy:

- 1) **Group** - the Company together with commercial companies for which the Company is directly or indirectly the parent company within the meaning of provisions of the Code of Commercial Companies;
- 2) **CCC** - the Act of 15 September 2000 - the Code of Commercial Companies (consolidated text: Journal of Laws of 2019 item 505 as amended);
- 3) **Policy** - Remuneration Policy for Members of the Management Board and Supervisory Board of the Company, adopted pursuant to Art. 90d (1) of the Act on Public Offering;
- 4) **Supervisory Board** - the supervisory board of the Company;
- 5) **Company** - Energa S.A. with its registered office in Gdańsk;
- 6) **Contract** - the contract of management services concluded with members of the Management Board;
- 7) **Act on Offering** - Act of 29 July 2005 on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies (consolidated text: Journal of Laws of 2019 item 623 as amended);
- 8) **Act on ECP** - the Act of 4 October 2018 on Employee Capital Plans (Journal of Laws, item 2215, as amended);
- 9) **Act on Remuneration** - the Act of 9 June 2016 on the Principles of Determining Remuneration of Persons Managing Certain Companies (i.e. Journal of Laws of 2019, item 1885, as amended);
- 10) **General Meeting of Shareholders** - general meeting of shareholders of the Company;
- 11) **Management Board** - management board of the Company.

§ 2 General Provisions

1. The purpose of the Policy is to set guidelines for remuneration of members of the Management Board and members of the Supervisory Board.
2. Solutions adopted in the Policy, by way of partial linking of the principles of remuneration of members of the Management Board with implementation of business strategy, long-term interests and stability of the Company, contribute to their implementation.
3. The remuneration systems for members of the Management Board and Supervisory Board are determined taking into account the pay conditions for the employees of the Company other than members of the Management Board and members of the Supervisory Board, by:
 - 1) referring to the levels of remuneration for employees of the Company;
 - 2) referring to rules of bonuses for employees employed at key positions in the Company;
 - 3) analysing market remuneration in companies of similar size or scope of activity (taking into account the operating scale of the entire Group);
 - 4) analysing the scope of responsibility, size and specific nature of the supervised area, including segment management within the Group.

§ 3 Remuneration structure

1. Remuneration of members of the Management Board consists of:
 - 1) **Fixed Remuneration**, which is monthly cash remuneration paid for the functions performed in the Company and the assigned scope of duties, taking into account market conditions;
 - 2) **Variable Remuneration** which is supplementary remuneration for the financial year and depends on fulfilment of management objectives.
2. Regardless of Fixed and Variable Remuneration, members of the Management Board may receive additional benefits specified each time in a resolution of the Supervisory Board.
3. Members of the Supervisory Board are entitled to fixed monthly remuneration only.

§ 4 Legal relationship between members of authorities and the Company

1. A member of the Management Board receives remuneration under the Contract concluded for the period of performing the function of a member of the Management Board of the Company.
2. The Contract may be terminated by either Party with immediate effect in the event of a gross breach of provisions of the Contract by the other party. In addition, each Party may terminate the Contract for reasons other than those specified in the preceding sentence, subject to a maximum of three months' notice. However, if during the notice period the event referred to in the first sentence occurs, the Contract shall be

terminated with immediate effect.

3. Members of the Supervisory Board receive remuneration based on the corporate relationship resulting from their appointment for the duration of their mandate within the Company. Members of the Supervisory Board shall be appointed and dismissed on the terms and for a period of time specified in the Company's Articles of Association.

§ 5 Rules for granting Fixed Remuneration to members of the Management Board

1. The amount of the monthly Fixed Remuneration of members of the Management Board shall be determined by the Supervisory Board, by means of a resolution, taking into account provisions of the Act on Remuneration.
2. When determining Fixed Remuneration of members of the Management Board, the Supervisory Board shall take into account the following criteria:
 - 1) qualifications, professional experience and years of service;
 - 2) the profile of the function performed, size of the area supervised, scope and nature of tasks performed in this area;
 - 3) the level of remuneration of managerial staff in companies with a similar profile and scale of operations (taking into account the operating scale of the entire Group).
3. The amount of Fixed Remuneration of members of the Management Board shall correspond to the actual possibilities of acquiring and maintaining key competencies in the Company, and shall be also consistent with the level and market practice applicable to remuneration in companies with such a scale of operations.

§ 6 Rules for granting Variable Remuneration to members of the Management Board

1. The value of the Variable Remuneration for a given financial year shall not exceed 100% of the value of Fixed Remuneration due for the same year.
2. Variable Remuneration of members of the Management Board shall depend on the level of fulfilment of management goals set for members of the Management Board by the Supervisory Board for a given financial year (**Management Goals**).
3. Management Goals shall be set by the Supervisory Board as part of the general catalogue of Management Goals, defined by the General Meeting of Shareholders in accordance with the Act on Remuneration and the Act on Offering. Specification of the said Management Goals, as well as indication of the weights and criteria for their fulfilment for individual members of the Management Board shall be defined in a resolution of the Supervisory Board.
4. Selection of Management Goals, as well as the criteria set for their fulfilment as established by the Supervisory Board, shall contribute to the implementation of the business strategy, long-term interests and stability of the Company.
5. The Supervisory Board may decide to pay the Variable Remuneration in proportion to the number of months and days per year during which a member of the Management Board held the mandate.
6. The Supervisory Board has the right to suspend payment of accrued Variable Remuneration of a member of the Management Board if a report is filed against that member of the Management Board accusing them of committing a crime against the Company. The Supervisory Board has the right not to award the accrued Variable Remuneration or decide to have it returned if the charges raised against a member of the Management Board of committing a crime are confirmed in whole or in part by a final judgment.
7. With respect to the implementation of Management Goals, the Supervisory Board may adopt periods for implementation of such goals and the corresponding settlement periods not exceeding 36 months. As regards Management Goals set for implementation over a timeframe longer than one year, the Supervisory Board may decide to pay the Variable Remuneration related to such goals in whole or in part at the end of a given settlement period.

§ 7 Rules for granting additional benefits to members of the Management Board

1. Members of the Management Board may be granted additional benefits by the Supervisory Board, including in particular:
 - 1) for covering the costs of treatment, preventive care and medical care, including for the immediate family or persons living in the same household as the member of the Management Board;
 - 2) for covering all costs related to accommodation or renting a flat if the place of residence is more than 100 km from the registered office of the Company;
 - 3) financing or reimbursement of individual training relating to the scope of activities performed for the Company;

- 4) for using the Company's assets, including a company car (also for private purposes);
- 5) for covering insurance premiums under a D&O insurance contract;
- 6) granting of another benefit functionally related to the exercise of the mandate in the Company (even if payable after expiry of the mandate), recognized by the Supervisory Board as reasonable in a given case.
2. If the Contract is terminated or withdrawn from by the Company, the Supervisory Board may grant a severance pay to a member of the Management Board in the amount not exceeding three times the Fixed Remuneration, provided that the member of the Management Board performs the function on the Management Board for a period of at least twelve months before the Contract is terminated. The Supervisory Board may provide for cases where a member is not eligible for severance pay and where severance pay must be returned by a member of the Management Board to whom this benefit has already been paid.
3. If a member of the Management Board performs the function for a period of at least three months, the Supervisory Board may conclude a non-competition agreement with that member of the Management Board after his function expires. If such an agreement is concluded, the member of the Management Board shall be awarded compensation for the duration of the non-competition agreement, which may not exceed six months, in an amount not exceeding one month of Fixed Remuneration. The right to compensation is granted if the member of the Management Board performs the function for a period of at least three months.
4. To facilitate regular accumulation of savings by its employees, the Company may have an Employee Capital Plan (ECP) in place in accordance with the provisions of the Act on ECP. Members of the Management Board and members of the Supervisory Board may participate in the ECP.

§ 8 Rules of remuneration for members of the Supervisory Board

1. Remuneration of members of the Supervisory Board shall be determined by the General Meeting by way of a resolution, on the basis of and within the limits specified in provisions of the Act on Remuneration.
2. Remuneration of a member of the Supervisory Board may vary depending on the function performed.
3. A member of the Supervisory Board shall be entitled to a fixed monthly remuneration regardless of the number of meetings convened.
4. If the mandate of a member of the Supervisory Board lasts less than a month for which the remuneration is paid, it is calculated in proportion to the number of days during which the function is performed.
5. Remuneration shall not be due for the month in which a member of the Supervisory Board was not present at any of the officially convened meetings without excuse. The Board shall adopt a resolution stating whether the absence of a member of the Supervisory Board is excused.
6. The Company shall cover the costs incurred in connection with performance by members of the Supervisory Board of the functions entrusted to them, in particular the cost of travel, accommodation and meals.
7. Remuneration of members of the Supervisory Board who meet the criterion of independence should be conducive to maintaining the status of independence from the majority shareholder and the Company's decision-makers.

§ 9 Avoiding conflicts of interest in matters regulated by the Policy

1. The division of competencies applicable when determining the amount and principles of remuneration provided for in art. 378 and 392 of the CCC is designed to prevent the conflict of interest with regard to issues regulated in the Policy. For this purpose, the Supervisory Board shall also monitor, analyse and supervise the implementation of the remuneration system and additional benefits for members of the Management Board based on provisions of the Company's Articles of Association and Rules of the Supervisory Board.
2. If any member of the Management Board or member of the Supervisory Board identifies a possible conflict of interest in matters governed by the Policy, they shall submit their comments to the Chairman of the Supervisory Board. In such a case, the chairman of the Supervisory Board shall undertake adequate ad hoc remedial measures, if necessary seeking advice or referring the matter to the competent unit in the Company.
3. If it is necessary to make general (system-wide) changes in the Policy, the Supervisory Board shall initiate a procedure aimed at updating the Policy, in accordance with further provisions, in order to eliminate the identified conflict of interest or to prevent the occurrence of the identified potential conflict of interest.

§ 10 Conditional suspension of application of the Remuneration Policy

1. The Supervisory Board may suspend application of the provisions of the Policy on a temporary basis.
2. The Supervisory Board may suspend the Policy as referred to in subpar. 1 only if it is necessary to enforce long-term interests and financial stability of the Company or to guarantee its profitability, following the need

for proportionality and purposefulness.

3. If the Supervisory Board deems that the reasons for which it suspended the application of the Policy as referred to in subpar. 1 are no longer temporary and constitute a permanent obstacle to application of the Policy, the Supervisory Board shall initiate a procedure aimed at updating the Policy, in accordance with further provisions.

§ 11 Remuneration report

Once a year, the Supervisory Board shall perform a comprehensive review of remuneration and prepare an annual remuneration report, which shall be then reviewed by the General Meeting and published.

§ 12 Miscellaneous

1. The initial draft of the Policy shall be prepared by the Management Board, which shall then submit it to the Supervisory Board for an opinion and introduction of changes, if any. Next, the Supervisory Board shall refer draft Policy prepared by the Supervisory Board to the General Meeting.
2. The final version of the Policy shall be adopted by the General Meeting. A resolution on the Policy shall be adopted at least once every four years.
3. If a need for a significant change to the Policy is identified within less than four years of the last amendment being adopted, the Supervisory Board shall submit an appropriate motion to the General Meeting. The Supervisory Board may submit a motion to the General Meeting for changing the Policy on its own initiative or at the motion of the Management Board.
4. The Policy shall enter into force with effect from the day following the day on which the General Meeting approves the financial statements of the Company for 2019 and from that day shall apply to payment of remuneration to members of the Management Board and members of the Supervisory Board.
5. The Policy shall not apply to payment of remuneration for termination of the Contract and Variable Remuneration, to which persons subject to the Policy acquired claims before the Policy came into effect.

MOTION OF THE MANAGEMENT BOARD OF ENERGA SPÓŁKA AKCYJNA

Acting pursuant to Article 90d (1) of the Act of 29 July 2005 on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies, the Management Board of ENERGA SA applies for adoption, by way of a resolution of the General Meeting of Shareholders, of the "Remuneration Policy for Members of the Management Board and Supervisory Board of ENERGA SA", the draft of which is attached as an Appendix to this motion.

REASONS

Pursuant to the Act of 16 October 2019 amending the Act on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies and Certain Other Acts, public companies having their registered office in the territory of the Republic of Poland, were obliged to adopt, by way of a resolution of the general meeting of shareholders, the remuneration policy for the members of the management board and the supervisory board. To fulfil this obligation, the Company has prepared draft "Remuneration Policy for Members of the Management Board and Supervisory Board of ENERGA SA" (hereinafter: Remuneration Policy).

The draft Remuneration Policy presented to the General Meeting was prepared on the basis of Art. 90d of the Act of 29 July 2005 on Public Offering and on the Terms of Introducing Financial Instruments into Organized Trading and on Public Companies, and in particular meets the requirements set out in Art. 90d (3) and (4) of the said Act.

This draft Remuneration Policy has received a positive opinion from the Supervisory Board of ENERGA SA, which applied by the General Meeting of Shareholders for the draft to be adopted.

Considering the above, the Management Board of the Company is requesting that the General Meeting adopts the Remuneration Policy in accordance with the attached draft.

The draft of the relevant resolution is attached to this motion.

Attachments:

1. Draft Remuneration Policy;
2. Drafts of Resolutions of the General Meeting of Shareholders of ENERGA SA on adoption of the Remuneration Policy.

The Management Board of ENERGA SA

Jacek Goliński */illegible signature/*

Marek Kasicki */illegible signature/*

Adrianna Sikorska */illegible signature/*

Dominik Wadecki */illegible signature/*

Iwona Waksmundzka-Olejniczak */illegible signature/*

ENERGA SA al. Grunwaldzka 472 80-309 Gdańsk energa.sa@energa.pl www.energa.pl	District Court for Gdańsk-Północ 7th Commercial Division of the KRS KRS (court reg.) 0000271591 T +48 58 778 83 00 F +48 58 778 83 99	Bank Polska Kasa Opieki SA w Warszawie account number: 07 1240 5400 1111 0000 4918 4143 Share capital / paid-in PLN 4,521,612,884.88 NIP (tax ID) 957-095-77-22 Regon [Statistical ID No.] 220353024
---	--	---