

## **Appendix**

**to the Resolution of the Supervisory Board of Lubelski Węgiel Bogdanka S.A. No. 7/XI/2020 of 6 October 2020**

### **UNIFORM TEXT OF THE RULES OF THE SUPERVISORY BOARD OF LUBELSKI WĘGIEL BOGDANKA S.A. WITH REGISTERED OFFICE IN BOGDANKA**

#### **§ 1.**

##### **THE BOARD'S POWERS AND RESPONSIBILITIES**

1. The Supervisory Board of Lubelski Węgiel Bogdanka S.A., hereinafter referred to as the "Board" or "Supervisory Board", is a corporate body of the Company which exercises an ongoing supervision over all areas of its business activities.
2. The scope of the Board's competence encompasses all the acts and powers set out in the Company's Articles of Association and the Commercial Companies Code.
3. The Board shall submit an annual written report on its supervision of the Company's activities to the General Shareholders Meeting, including a brief assessment of the Company's operations and an assessment of the internal control system, the system for managing significant risk to which the Company is exposed and an assessment of the work of the Board's committees.
4. The Supervisory Board is authorised to create standing or ad hoc committees to perform advisory or opinion-forming functions.
5. Members of the Board can only exercise their rights and perform their obligations personally.
6. The Board shall perform its obligations collectively. However, for valid reasons, it can delegate individual Board Members to perform particular supervisory acts independently for a specific period.
7. A delegated member of the Supervisory Board shall be obliged to submit a written report to the Supervisory Board on the work he/she is performing, in accordance with the principles determined by a resolution of the Supervisory Board.
8. The Board acts on the basis of the Company's Articles of Association, these Rules, the Commercial Companies Code and other applicable provisions of law and with account taken of the provisions of the ENEA Group Code and the ENEA Group Secondary Documents issued thereunder. The activities of the Board shall also be based on the principles of good practices of companies listed on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.).

#### **§ 2.**

##### **THE BOARD'S COMPOSITION**

1. The activities of the Supervisory Board shall be managed by the Chairman of the Supervisory Board.
2. The Supervisory Board shall select a Chairman, a Vice-Chairman and a Secretary of the Board from among its members.
3. Should the Chairman of the Supervisory Board's mandate terminate for any reason, the Deputy Chairman will perform the Chairman's duties until a new Chairman of the Supervisory Board has been appointed, and also if the Chairman is sick or temporarily unable to fulfil his duties.
4. The Secretary shall be responsible for drawing up the minutes of a meeting.
5. The Supervisory Board may at any time dismiss the Chairman, the Vice-Chairman or the Secretary of the Board from their respective functions and select other persons for those positions from among its other members.

#### **§ 3**

##### **BASIC RULES OF PERFORMING THE FUNCTION OF A SUPERVISORY BOARD MEMBER**

1. While performing their duties, Supervisory Board Members should be driven by the interests and objectives of the Company.

2. A Supervisory Board Member must immediately notify the Supervisory Board of any conflict of interest and refrain from participating in a discussion and from voting on a resolution on a matter which gave rise to the conflict of interest.
3. A Supervisory Board Member is obliged to immediately inform the Company of any events which create disclosure requirements resulting from laws applicable to public companies, including such events as: the purchase or sale of the Company's shares or shares in a subsidiary of the Company, as well as transactions conducted with such companies, provided that such transactions are significant for the Board member's financial situation, and personal, factual and organisational ties with any shareholder holding more than 5% of the Company's total number of shares.
4. Should a Board Member resign from their function, he or she shall submit a written statement of resignation to the Management Board and provide the same for the attention of the Supervisory Board.

#### **§ 4**

#### **DUTY OF CONFIDENTIALITY OF SUPERVISORY BOARD MEMBERS**

1. Supervisory Board Members shall be obligated to keep secret all confidential information and secrets of the Company, in particular business, company and trade secrets, disclosed to them in the course of their activity on the Supervisory Board (henceforth "Confidential Information of the Company").
2. If a Supervisory Board Member intends to disclose to third parties any information constituting confidential information of the Company, he/she will notify the Chairman of the Supervisory Board of the fact in advance and obtain the written consent of the Chairman for such a disclosure.
3. A Supervisory Board Member may not use information constituting confidential information of the Company for own purposes or for third parties' purposes.
4. The confidential information, referred to in this § 4, may be disclosed only under circumstances provided under mandatory legal regulations in force.
5. The obligation to maintain confidentiality, provided for in this § 4, shall remain in full force and effect also after the expiry of the mandate.

#### **§ 5**

#### **CONVENING SUPERVISORY BOARD MEETINGS**

1. Meetings of the Supervisory Board shall be convened by the Chairman, and in case it is impossible for the Chairman to convene a meeting, it shall be convened by the Vice-Chairman.
2. The Management Board of the Company shall convene a meeting of the Supervisory Board if a) it is the first meeting in a new term of office, or b) the mandates of the Chairman and the Vice-Chairman expire during the term of office. The meeting shall be convened within two weeks from the appointment of the Supervisory Board Members for the new term of office or expiry of the mandates of the Chairman and the Vice-Chairman.
3. The meeting referred to in § 5 item 2 shall be opened and chaired by the oldest Member of the Board until the Chairman of the Supervisory Board is appointed.
4. If during a term of office the mandate of the Chairman of the Board expires and a new Member is appointed to the Board, the Vice-Chairman of the Board shall convene a meeting of the Board within two weeks from the appointment of the new Member of the Board.
5. The agenda of the Board meetings referred to in § 5 items 2 and 4 shall include the election of the Chairman or Vice-Chairman of the Board.
6. A meeting of the Board is convened on demand of any member of the Board or at the request of the Management Board.
7. A meeting of the Board shall be convened within two weeks from receipt of the request.
8. A request for a meeting shall be drawn up in writing and contain the proposed agenda and should be signed by the requestor.

9. If a meeting of the Supervisory Board is not convened in the manner referred to in item 7, the requestor may convene it individually, stating the date, place and proposed agenda.
10. A meeting of the Board shall be convened in such a manner so as to ensure that a notification of the meeting is served on all Board Members at least seven days before the meeting. For important reasons, the Chairman or the Vice-Chairman of the Board may convene a meeting without regard to the above time-limit.
11. It shall be admissible to convene a meeting of the Board and make the relevant materials available by means of an IT system (including by electronic mail) in accordance with the schedule referred to in § 5 item 10.
12. An invitation to a meeting of the Board shall specify the time, and venue of the meeting and a detailed draft agenda. Materials related to the matters on the agenda shall be sent together with the invitation.
13. Meetings of the Supervisory Board may also be held without formal convocation, if all its members are present and consent to the holding of the meeting and to the inclusion of specific matters in the agenda.

## **§ 6**

### **SUPERVISORY BOARD MEETINGS**

1. The Supervisory Board shall hold its meeting as necessary, but no less frequently than once in a quarter.
2. Meetings of the Board shall be held at the Company's registered office or in a place within the territory of Poland indicated in a notification of a meeting. Meetings of the Supervisory Board may also be attended by means of direct remote communications, in particular via telephone or other measure allowing the Supervisory Board members participating in a meeting to identify each other as well as mutual, simultaneous, direct communication in real time of all Supervisory Board members participating in a meeting (such as teleconference or videoconference).
3. Meetings of the Board shall be presided over by the Chairman of the Board or, in his absence, by the Vice-Chairman.
4. The Chairman of the Board, and in his absence, the Vice-Chairman, shall ensure that the meetings of the Supervisory Board are conducted efficiently and correctly, in accordance with the adopted agenda, provisions of law, the Articles of Association and these Rules, and, in particular, will have an exclusive right to:
  - a) open, conduct and close meetings of the Supervisory Board,
  - b) give the floor to and take it away from Supervisory Board members,
  - c) issue instructions to maintain order,
  - d) order ballots, monitor their correct course and announce the results,
  - e) decide on formal issues,
  - f) order breaks in meetings of the Supervisory Board,
  - g) issue instructions to the person keeping the minutes of Supervisory Board meetings,
  - h) distribute written resolutions of the Supervisory Board,
  - i) take other actions necessary to ensure an effective operation of the Supervisory Board.
5. The proposed agenda can be changed if all the members of the Board are present at the meeting and no one objects to the proposed change of the agenda.
6. Members of the Board are obliged to participate in meetings of the Board. If they are absent, they should state the reasons in writing. A resolution of the Board shall be required in order for the Board to justify a member's absence.
7. The Chairman of the Board, and in his absence, the Vice-Chairman, may adjourn the proceedings of the Board meeting for valid reasons and select a later time or a different day for continuing the proceedings of the Board meeting.

8. Members of the Management Board invited by the Board or other persons the presence of whom the Board deems necessary may participate in Supervisory Board meetings, but shall not have a voting right.
9. Declarations submitted to the Supervisory Board between meetings shall be made to the Chairman of the Board or, if that is impossible, to the Vice-Chairman of the Board.

## **§ 7 MINUTES**

1. Meetings of the Board are recorded in the form of minutes. Resolutions adopted during a Board meeting shall form an integral part of the minutes.
2. The minutes should contain the consecutive number, date of the meeting, the agenda, the full names of the members of the Board who are present, the content of the resolutions adopted, the number of votes cast for individual resolutions, and dissenting opinions. Important circumstances which occur during the meeting such as a change of the participants in the meeting, motions proposed by the Board members, important statements and comments made by the Board members shall also be recorded in the minutes. Adopted resolutions of the Board shall be numbered consecutively.
3. Minutes shall be approved at the nearest on-site meeting of the Board.
4. Minutes shall be signed by the members of the Board present at the meeting.
5. Members of the Board who are not present at the meeting shall confirm that they have familiarised themselves with the minutes by signing them.
6. The minutes shall be filed in the Company's registered office. Any and all materials regarding a recently held meeting, including in particular any plans, reports and motions, shall be the documentation of the Board and shall be initialled by the Secretary of the Board and stored by the Company's Management Board Office.
7. If it is required for substantive, legal or procedural reasons, extracts from the minutes shall be signed by the Chairman, the Vice-Chairman or the Secretary of the Board.

## **§ 8 RESOLUTIONS OF THE BOARD**

1. The Board shall be able to adopt resolutions if at least half of its members are present at the meeting and all of its members have been invited.
2. The Board shall adopt resolutions in open voting. Secret ballot shall be ordered at the request of a Supervisory Board member by the Chairman of the Board. The Supervisory Board may adopt a resolution on waiving the secret ballot ordered at the request of a Supervisory Board member.
3. Resolutions of the Supervisory Board shall be adopted by an absolute majority of votes subject to the mandatory provisions of the Commercial Companies Code. In the event of a voting tie the Chairman of the Board will have the casting vote.
4. A resolution shall contain the following elements: number, date and title, legal basis for its adoption, content (divided into articles and items, if necessary), the effective date, the type (secret/open) and outcome of the voting, the number of votes "for" and "against" and "abstentions".
5. Members of the Supervisory Board may participate in adopting resolutions of the Board by casting their votes in writing through the intermediary of another member of the Board. Votes cannot be cast in writing in matters which are subject to secret vote, and in matters introduced to the agenda at a meeting of the Supervisory Board.
6. For a vote cast in writing through the intermediary of another member of the Board to be valid, a written declaration must be made by the member of the Supervisory Board and presented at the meeting of the Board during voting by another member of the Board. If the declaration is delivered

by a member of the Management Board or a third party, the formal requirements for its delivery shall not be satisfied.

7. The Supervisory Board may adopt resolutions in a written form or by means of direct remote communication. A resolution shall be valid if all members of the Supervisory Board have been notified of the contents of a draft resolution and at least half of the members took part in its adoption.
8. The possibility of adopting resolutions in writing or by means of direct remote communication may not apply to matters which are subject to secret vote.
9. The Supervisory Board may adopt resolutions in a written form by way of signing the same copy (or copies) of a draft resolution or separate documents with the same content, or by using other means of remote communication in a manner that enables all members who participate in a meeting to communicate directly. Voting via the Internet, including in particular by electronic mail, shall also be deemed to be a voting which enables direct remote communication. A decision on adoption of a resolution in a manner other than at a meeting shall be made by the Chairman of the Board, and in his absence, by the Vice-Chairman.
10. Resolutions adopted in writing or by a means of direct remote communication shall be presented at the next meeting of the Supervisory Board with the outcome of the voting.
11. The resolutions should be drawn up in a manner that does not raise any doubts as to what the vote relates to or whether it is a vote "for" or "against" or an "abstention". The resolutions shall be included in the minutes of the meeting of the Board.
12. The date on which a resolution is adopted in a written form, by means of direct remote communication or by voting via the Internet, including in particular with the use of electronic mail, is the date on which the last vote is cast.
13. If some or all members of the Supervisory Board participate in a meeting by means of direct remote communication, the Supervisory Board may also adopt resolutions by means of direct remote communication in a way which allows simultaneous, direct communication in real time as well as mutual identification of all members of the Supervisory Board participating in the voting (such as teleconference or videoconference). After the voting is concluded, the Chairman shall notify about the number of votes cast "for" or "against" or "abstentions". A resolution shall be valid if all members of the Supervisory Board have been notified of the contents of a draft resolution and at least half of the members took part in its adoption.
14. Meetings of the Supervisory Board shall be recorded. The Chairman shall order the meeting not to be recorded at the request of at least one Board member. After minutes of the Supervisory Board meeting are drawn up and signed, the record shall be permanently deleted.

## **§ 9**

### **REPORTING TO THE GENERAL SHAREHOLDERS MEETING**

1. In addition to the obligations the Supervisory Board is required to perform under the applicable laws, the Supervisory Board shall, on an annual basis, prepare and submit the following documents to the General Shareholders Meeting:
  - a) an assessment of the Company's situation, including an assessment of internal control systems, risk management, compliance and internal audit function; the assessment covers all material control mechanisms, including in particular those related to financial reporting and operating activities;
  - b) a report on operations of the Supervisory Board covering at least the following information:
    - composition of the Board and its committees;
    - information on whether the Board members meet the independence criteria;
    - number of the Board's and the committees' meetings in the period covered by the report;
    - self-assessment of the activities of the Supervisory Board;

- c) the assessment of the manner in which the Company fulfils disclosure requirements regarding corporate governance, as defined in the WSE's Rules of Procedure and in the regulations regarding current and periodic information provided by the issuers of securities;
  - d) assessment as to the reasonableness of the Company's sponsorship and/or charity policy, or another policy of a similar nature, or a statement that the Company does not operate such a policy.
2. The Supervisory Board shall consider and issue opinions on matters which are to be covered by the resolutions of the General Shareholders Meeting, excluding matters pertaining to the Supervisory Board.

## **§ 10**

### **COMMITTEES OF THE SUPERVISORY BOARD**

1. The Audit Committee shall be a standing committee of the Supervisory Board.
2. The committee shall be composed of at least three (3) members appointed by the Board from among its members for a period corresponding to the Board's term of office.
3. Membership in the Committee shall terminate along with the termination of the membership in the Supervisory Board, however a Committee member may be at any time by a resolution of the Supervisory Board removed from the composition of the Committee. A committee member may also resign from membership in the committee at any time filing a resignation to the committee Chairman. In the case of the committee Chairman he shall file his resignation to the Chairman of the Supervisory Board. When the committee Chairman is the Chairman of the Supervisory Board then the committee Chairman shall file the resignation to the Vice-Chairman of the Supervisory Board.
4. The Chairman of the Committee shall be elected by the Supervisory Board. The Chairman of the committee shall direct and supervise the committee's work, in particular the organisation and course of committee meetings. The Chairman of the Supervisory Board may belong to a committee of the Supervisory Board, but cannot act as Chairman of the Audit Committee.
5. Committee meetings shall be convened by the Chairman or, in his/her absence, a Board member nominated by him/her.
6. Notifications of committee meetings shall be subject to the provisions on notifications of Board meetings. Committee meetings shall be held as necessary, and one meeting shall be held before the Company publishes its financial statements.
7. Committee resolutions shall be adopted by an absolute majority of votes. In the event of an equal number of votes, the Chairman of the committee shall have the casting vote.
8. The resolutions of the Committee shall be adopted in the same manner as the resolutions of the Supervisory Board.
9. The Committee shall provide the Supervisory Board with information about its meetings.
10. The Chairman of the Committee shall submit resolutions, requests and reports to the Board relating to matters on the Board's agenda, as well as other requests, including requests regarding the need to prepare, for the Committee's needs, an expert opinion or an opinion on the scope of the Committee's tasks or to employ an advisor.
11. The terms and conditions of the Rules shall apply as appropriate to any matters not covered by the regulations relating to the Supervisory Board committees.

## **§ 11**

### **THE AUDIT COMMITTEE**

1. The majority of the members of the Audit Committee, including its Chairman, are independent within the meaning of the Company's Articles of Association and relevant laws, including the Act on Chartered Auditors, Audit Firms and Public Regulators of 11 May 2017.
2. At least one member of the Audit Committee has knowledge and skills with respect to accountancy or auditing financial statements.
3. The members of the Audit Committee have knowledge and skills regarding the industry in which the Company operates. This condition is deemed satisfied if at least one member of the Audit

Committee has knowledge and skills regarding that industry or individual members have knowledge and skills regarding that industry in specified scopes.

4. The task of the Audit Committee is to advise the Board on the internal policy and the budget procedures adopted by the Company and review them, and to provide advice on contacts between the Company and the chartered auditor, including in particular:
  - a) monitoring the process of financial reporting;
  - b) monitoring the effectiveness of the internal control, risk management and internal audit systems, including with respect to financial reporting;
  - c) issuing an opinion on annual audit plan and submitting it to the Supervisory Board to gain approval;
  - d) monitoring the performance of the financial revision, in particular the carrying out an audit by the auditing entity, with due consideration for all conclusions and determinations of the Auditing Supervision Authority resulting from an inspection carried out at the auditing entity;
  - e) inspecting and monitoring the independency of the chartered auditor and the auditing entity, in particular in the event when the auditing entity provides non-audit services to the Company;
  - f) notifying the Supervisory Board of the results of the audit of the financial statements, and explaining how the audit contributed to the accuracy of the financial statements at the Company, as well as of the role of the Audit Committee in the auditing procedure;
  - g) assessing the independency of the chartered auditor and granting consent to providing permitted non-audit services to the Company;
  - h) developing the policy for selecting an audit entity to conduct an audit;
  - i) developing the policy for providing permitted non-audit services by the auditing entity carrying out the audit, entities related to the auditing entity or by a member of the auditing entity's chain;
  - j) developing the auditing entity selection procedure;
  - k) presenting to the Supervisory Board recommendations as to the selection of the chartered auditor or an auditing entity in compliance with the policies referred to in items h) and i);
  - l) presenting the Management Board and the Supervisory Board recommendations as to the accuracy of the Company's financial reporting;
  - m) discussing the nature and scope of each audit of the annual financial statements with the Company's auditor before it is commenced;
  - n) providing the Board with information on the work of the Audit Committee, including any suggestions on the necessity to take specific measures.
5. The Audit Committee presents to the Supervisory Board a recommendation in which it shall:
  - a) indicate the auditing entity that it proposes to employ for the statutory audit,
  - b) declare that the recommendation has not been influenced by third parties,
  - c) determine that the Company has not concluded any agreements containing clauses under which any contractual provisions, in agreements concluded by the Company, restricting the possibility of selecting an auditing entity by the Supervisory Board for the purpose of carrying out a statutory audit of the Company's financial statements to specified categories or lists of auditing entities, are deemed invalid under the law.
6. In a situation where the selection of an auditing entity does not involve a renewal of an agreement for an audit of the financial statements, the recommendation of the Audit Committee must include at least two auditing entities along with the rationale and an indication of a justified preference of the Audit Committee towards one of them.
7. If the decision of the Supervisory Board on the selection of an auditing entity differs from the recommendation of the Audit Committee, the Supervisory Board justifies the reasons for not following the recommendation of the Audit Committee and submits such justification to the attention of the General Shareholders Meeting.
8. The Audit Committee shall be able to contact and communicate itself directly with the Manager of the Company's internal audit unit.

9. The Audit Committee may, without the intermediation of the Supervisory Board, demand information, clarifications and documents necessary for the performance of its tasks.
10. The Audit Committee shall submit a report on its activities to the Supervisory Board at least once per year, on the date when the authorised corporate body of the Company approves the annual reports.
11. The Audit Committee may demand that the chartered auditor discuss with the Audit Committee, the Management Board or the Supervisory Board key issues resulting from the audit, as listed in the additional report referred to in Article 11 of the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities.

## **§ 12 FINAL PROVISIONS**

1. The Company shall provide all necessary means for the operations of the Board.
2. The Company shall cover the costs incurred by the members of the Supervisory Board in connection with their performance of duties, and in particular the cost of travel to take part in the Supervisory Board's meeting, accommodation and subsistence, as well as costs incurred in connection with exercising individual supervision.
3. These Rules shall enter into force on the date of approval.