

---

## 11. Representation on the application of corporate governance

---

### 11.1. Identification of the applicable set of rules

Creating shareholder value, also through the Company's transparency, is one of the ENEA Group's priorities. Having that in mind, the Management Board of ENEA S.A. represents that until 1 July 2021 the Company applied the corporate governance rules forming an Attachment to Resolution No. 26/1413/2015 of the Supervisory Board of the Warsaw Stock Exchange of 13 October 2015 titled "Best Practice for WSE Listed Companies 2016" (BPLC 2016).

In 29 March 2021, the Supervisory Board of the Warsaw Stock Exchange passed a resolution on adopting "Best Practice for WSE Listed Companies 2021" (BPLC 2021), which became effective as of 1 July 2021.

Currently, as at 31 December 2021, the Issuer has been, since 1 July 2021, bound by the corporate governance rules set out in BPLC 2021, published on the WSE website at <https://www.gpw.pl/dobre-praktyki2021>.

Because the Prime Minister did not define best practice in the field of corporate governance referred to in Article 7(3) of the Act on the Rules for Managing State Property, in 2021 the Company did not, in respect of best practice, apply any practices other than those specified in the BPLC.

In connection with the obligation of the Management Board under Article 11(4)(2) of the Company's Articles of Association to submit a report to the Supervisory Board on the application of best practices specified by the Prime Minister and given that ENEA S.A. observes the "Best Practice for WSE Listed Companies", in 2021 the Company did not apply best practices other than the "Best Practice for WSE Listed Companies 2016" in effect until 30 June 2021 and "Best Practice for WSE Listed Companies 2021" in effect since 1 July 2021.

### 11.2. Waived corporate governance rules and recommendations

It is the intention of the ENEA S.A. Management Board to apply all corporate governance rules. However, due to the fact that some rules may expose the Company to an excessive burden which may be disproportionate to any benefits resulting from market needs, in accordance with the above explanations, the Company does not apply rules 1.4.2., 2.1., 2.2., 4.1., 4.3., 4.8., 4.9.1. of the BPLC 2021.

#### Information and investor communication policy

*1.4.2. To ensure adequate communication with stakeholders, as regards its adopted business strategy, the Company publishes on its website relevant information on the assumptions of the strategy in place, measurable goals, including, without limitation, long-term goals, planned actions and the current progress towards its objectives, as expressed in financial and non-financial metrics. Information on ESG strategy should, among other things:*

*- indicate the value of the Company's equal pay ratio for salaries paid to employees, calculated as a percentage difference between average monthly salary (including bonuses, awards and other extra allowances) of women and men for the last year, and indicate information on the measures taken to eliminate any inequalities in this respect, along with the identification of any related risks and the time frame over which equality is planned to be ensured.*

**Company's comment:** The Company's intention is to endeavor to guarantee equal rights for its personnel in all aspects of employment, including by seeking to ensure equal pay for women and men. This notwithstanding, the Company currently does not present separate values of the equal pay ratio in respect of its female vs. male staff. The employment structure in the ENEA Group's member companies tends to display a noticeable over-representation of men over women, while information regarding the employment and employee compensation is presented in the Company's periodic reports published in compliance with the generally applicable provisions of law. Moreover, such data, augmented by the breakdowns of jobs by gender, age, type of employment contract, resignations and new hires, are published online every year in the ENEA Group's ESG Reports (<https://raportesg2020.csr.enea.pl/>). At the same time, the Company will strive, whenever reasonable, to present additional data in compliance with the guidelines delineated by this rule.

#### Management Board and Supervisory Board

*2.1. The Company should have a diversity policy in place with respect to the Management Board and Supervisory Board, adopted by the Supervisory Board or General Meeting, respectively. A diversity policy sets out diversity goals and criteria in areas including gender, field of education, expertise, age and professional experience as well as indicates the time frame and method for monitoring the achievement of those goals. As regards gender diversity, the condition for ensuring diversity in the Company's corporate bodies is for a minority to have a no less than 30% representation in a given corporate body.*

**Company's comment:** The Company does not currently have in place a Diversity Policy adopted by the Supervisory Board or the General Meeting. However, diversity principles are applied within the Company. Currently, there are no women in the Company's Management Board. However, the Supervisory Board is composed of both women and men. The current gender mix in the Company's corporate bodies does not ensure differentiation at a level of at least 30%. However, it should be emphasized that the election of members for the Company's corporate bodies is based on the generally applicable provisions of law and the Company's Articles of Association, in consideration of pertinent recruitment documents. Members for the Company's Management Board and Supervisory Board are selected based on a variety of criteria, including gender, education, age and professional experience. Recruitment activities are carried out by the Company's bodies authorized to appoint such individuals.

*2.2. Decision-makers with respect to the selection of the Company's Management Board or Supervisory Board members should ensure these bodies are comprehensive by electing individuals that guarantee diversity, for example by making it possible to reach a target minimum minority representation of no less than 30%, in accordance with the goals set out in the diversity policy in place referred to in rule 2.1.*

**Company's comment:** Diversity principles are applied within the Company. However, it should be emphasized that the election of members for the Company's corporate bodies is based on the generally applicable provisions of law and the Company's Articles of Association, in consideration of pertinent recruitment documents. Members of the Company's Management Board and Supervisory Board are selected based on a variety of criteria, including gender, education, age and professional experience. Recruitment activities are carried out by the Company's bodies authorized to appoint such individuals.

#### **General Meeting and shareholder relations**

*4.1. The Company should make it possible for shareholders to participate in the general meeting using electronic means of communication (e-general meeting), if the same is justified by shareholders' expectations communicated to the Company, as long as the technical infrastructure necessary to hold such a general meeting can be provided.*

**Company's comment:** The Company does not conduct its General Meetings using electronic means of communication (e-general meeting). No reasonable expectations in this respect have been received by the Company from its shareholders. In the Company's opinion, certain risks of a technological and legal nature exist in the context of the conduct of General Meetings using electronic means of communication.

*4.3. The Company provides generally available broadcast of the general meeting in real time.*

**Company's comment:** Please be advised that the Company does not provide publicly available real-time broadcasts of its General Meetings. However, video and sound are recorded during the Company's General Meetings, and are subsequently uploaded to the Company's corporate website and made available for playback.

*4.8. Draft resolutions of the general meeting on matters included in the general meeting agenda should be notified by shareholders no later than 3 days before the general meeting.*

**Company's comment:** As regards the exercise of corporate rights by shareholders, the Company observes predominantly the principles arising from the generally applicable provisions of law, according to which a shareholder or shareholders representing at least one-twentieth of the share capital may submit to the Company, prior to the date of the General Meeting, draft resolutions on matters included in the agenda of the General Meeting or matters requested to be put on the agenda. Moreover, during the General Meeting, each shareholder may submit draft resolutions on matters included in the agenda. The Company may not influence any actions in this respect by its shareholders, yet it encourages shareholders to submit their draft resolutions well in advance, in compliance with this principle.

*4.9.1. Candidates for the Supervisory Board members should be nominated within a time frame that makes it possible for shareholders present at the general meeting to make an informed decision, but no later than 3 days before the general meeting; candidates, along with the complete set of relevant materials, should be immediately published on the Company's website;*

**Company's comment:** As regards the exercise of corporate rights by shareholders, the Company observes predominantly the principles arising from the generally applicable provisions of law, according to which a shareholder or shareholders representing at least one-twentieth of the share capital may submit to the Company, prior to the date of the General Meeting, draft resolutions on matters included in the agenda of the General Meeting or matters requested to be put on the agenda. Moreover, during the General Meeting, each shareholder may submit draft resolutions on matters included in the agenda. The Company may not influence any actions in this respect by its shareholders, yet it encourages shareholders to propose their candidates well in advance, in compliance with this principle.

### **11.3. A description of main features of internal control and risk management systems used at the issuer's enterprise when drafting consolidated financial statements**

The principles and procedures for preparing financial statements are regulated, in particular, by the International Financial Reporting Standards, the Accounting Act and internal procedures in place at ENEA S.A.

The establishment of systems of internal control and risk management as regards the process of preparation of consolidated financial statements aims particularly at guaranteeing the completeness and correctness of financial information included in financial statements and periodic reports.

The ENEA S.A. Management Board is responsible for the ENEA Group's internal control system and its effectiveness in the process of preparing the financial statements and periodic reports. The purpose of an effective internal control system in the financial reporting process is to ensure completeness and correctness of financial information contained in financial statements and interim reports.

Financial statements and periodic reports as well as monthly management and operating reporting applied by Enea S.A. ("Company") are based on data derived from the Company's financial and bookkeeping system. After the performance of all the pre-determined ledger closing processes at the end of each month, detailed financial and operational managerial reports are prepared. These reports are drafted by the Group's Controlling Department with co-participation of middle and senior management of the individual organizational cells. With respect to closed reporting periods, not only the Company's financial results but also respective business areas are subject to detailed analysis. Annual reviews of strategies and economic and financial plans are carried out in the Company. Middle and senior management are particularly involved in the process of detailed planning and budgeting, which covers all areas of the ENEA Group's operations. The Company's Management Board adopts the material and financial plan prepared by the Group's Controlling Department, and the Supervisory Board approves the plan. During the year, the Company's Management Board oversees the pursuit of the objectives laid down in the adopted material and financial plan. The management cockpit developed by the Group's Controlling Department in cooperation with other Departments constitutes a valuable source of information for the Supervisory Board on the current financial situation, environment and the level of attainment of objectives in critical areas.

The Company continuously employs cohesive accounting rules to present financial data in the financial statements, periodic reports and other reports conveyed to shareholders.

The ENEA Group regularly assesses the quality of its internal control and risk management systems with regard to the process of drawing up financial statements. Based on the assessment conducted, the Management Board of ENEA S.A. concludes that as at 31 December 2021 there were no irregularities which could have significantly affected the effectiveness of internal control as regards financial reporting.

As part of risk management with respect to the financial statement preparation process, an independent statutory auditor's review of the financial statements is one of the key elements of external control. Auditor's tasks include, without limitation: reviewing semi-annual financial statements and auditing the annual standalone and consolidated financial statements. The independent auditor is selected by the Supervisory Board. After the auditor completes the audit of financial statements, they are sent to Supervisory Board members and the Supervisory Board assesses the compliance of the standalone and consolidated financial statements with the ledgers and documents and with the factual status. Pursuant to the Accounting Act, the Management Board and the Supervisory Board members are required to ensure that the financial statements satisfy the requirements provided for in the Accounting Act.

Another important element of the internal control system is the internal audit function performed by the Audit Management Division. Internal Audit at ENEA Group is independent and reports to the Audit Committee operating within the Supervisory Board. The main tasks of internal audit are, without limitation, to support the effectiveness of the internal control, risk management and compliance systems by: providing an independent assessment of the above-mentioned systems, auditing and evaluating relevant controls in processes performed by ENEA Group companies, recommending improvements, for example as regards corporate governance, and monitoring the efficient implementation of the recommendations issued. The inspection activities and process monitoring undertaken by the Company result in a low likelihood of the risk of an untimely or incorrect preparation of information on the Company's financial performance.

#### **11.4. Information about shares and shareholders**

The detailed description of the structure of the share capital, shareholding structure, changes in its structure in 2021 and potential changes within its structure is presented in Section 8 "Shares and shareholding".

#### **11.5. Securities with special control rights**

Until the date of these financial statements, ENEA S.A. has not issued any securities that would give special rights of control over the Issuer.

#### **11.6. Restrictions regarding the exercise of voting rights**

As at the date of these financial statements, there are no restrictions at the Company regarding the exercise of voting rights, except for those arising from generally applicable laws.

#### **11.7. Restrictions on free transferability of securities**

As at the date of preparation of this report, the Company has no limitations concerning transfer of the title to securities of the Issuer other than those resulting from the generally applicable regulations, including the Act of 16 December 2016 on the Rules for Managing State Property, which stipulates that the shares of ENEA S.A. held by the State Treasury may not be sold.

#### **11.8. Procedure and basic powers of the General Meeting, description of shareholders' rights and procedure for exercising them**

The General Meetings of ENEA S.A. are held based on the Commercial Company Code, ENEA S.A.'s Articles of Association and Rules and Regulations of the General Meeting, taking into account the principles adopted by the Company through the application of the "Best Practice for WSE Listed Companies".

In accordance with the Articles of Association of ENEA S.A., the Company's Management Board convenes the General Meeting in cases provided for in relevant laws and regulations and in the Articles of Association as well as when requested in writing by the main shareholder, i.e. State Treasury, which, for as long as it remains the Company's shareholder, irrespective of its shareholding, may require, pursuant to Article 400(1) of the Commercial Company Code, that an Extraordinary General Meeting should be convened and that specific matters should be included in the agenda of the upcoming General Meeting.

Such request should be submitted in writing to the Management Board no later than one month before the proposed date of the General Meeting. If the request is submitted after the General Meeting has been convened, it will be deemed a request for convening a subsequent Extraordinary General Meeting.

As stipulated by Article 29(3) of the Articles of Association, where the General Meeting has not been convened within two weeks of relevant request being submitted, the State Treasury shareholder may obtain the right to convene the General Meeting in accordance with Article 354(1) of the Commercial Company Code.

In addition to the matters specified in mandatory provisions of law and in other provisions of the Articles of Association, the powers of the General Meeting include:

- the power to appoint and recall Supervisory Board members, subject to the provisions of the Articles of Association authorizing the State Treasury shareholder to appoint and recall one Supervisory Board member (in accordance with Article 354(1) of the Commercial Company Code) where the State Treasury has ceased to be the Company's sole shareholder.
- the power to adopt General Meeting bylaws defining detailed principles of conducting meetings and adopting resolutions,
- the power to issue convertible or exchangeable bonds and other instruments carrying the right to purchase or subscribe for the Company's shares.

### **11.8.1. Right to participate in the General Meeting**

Pursuant to Article 406<sup>1</sup> § 1 of the Commercial Company Code, only those who have been the Company's shareholders sixteen days prior to the date of the General Meeting (date of registration for the General Meeting) have the right to participate in the Company's General Meeting. Moreover, Management Board and Supervisory Board members may participate in the General Meeting of ENEA S.A. where the participant composition makes it possible to provide substantive answers to the questions asked at the General Meeting.

### **11.8.2. Right to participate in the General Meeting by proxy**

A shareholder may participate in the General Meeting of ENEA S.A. and exercise his/her/its right to vote in person or by proxy.

### **11.8.3. Shareholder rights**

The company's shareholder(s) representing at least one-twentieth of the share capital may request the inclusion of specific business in the agenda of the General Meeting of ENEA S.A. Such request containing the reasons or a draft resolution concerning the proposed agenda item should be submitted to the ENEA S.A. Management Board not later than 21 days prior to the date of the meeting.

The company's shareholder(s) representing at least one-twentieth of the share capital may, before the date of the General Meeting of ENEA S.A., propose draft resolutions regarding items introduced or to be introduced in the agenda of the General Meeting.

During the General Meeting, each shareholder may submit draft resolutions concerning matters included in the agenda. Such drafts should be presented in Polish.

Shareholders participating in the Extraordinary General Meeting of ENEA S.A. have the right to ask questions regarding matters included in the agenda of the General Meeting.

### **11.8.4. Rules for amending the Company's Articles of Association**

In accordance with the provisions of the Commercial Company Code, an amendment to the Company's Articles of Association requires a resolution adopted by a specific majority of votes and a relevant entry in the register. The Company's Statute does not contain any provisions different from the provisions of the Commercial Company Code governing amendments to the Statute.

### **11.8.5. Diversity policy**

In 2021, no formalized diversity policy was implemented by ENEA S.A. with respect to the Company's governing bodies (Management Board or Supervisory Board Members) and its key managers. The Company endeavors to ensure that the appointment of its governing bodies and key managers is each time conducted pursuant to the commonly binding legal regulations and preceded by a thorough analysis of the experience, competence, skills and substantive preparation of each candidate, regardless of other non-substantive criteria, including, without limitation, sex or age. In the Company's opinion, the assessment criteria applicable to candidates for the said positions enable the selection of candidates who warrant the ability to pursue the Company's strategy and grow its business.

## **11.9. Management Board of ENEA S.A.**

### **11.9.1. Composition**

In accordance with the Company's Statute, the Company's Management Board is composed of between 3 and 8 Members, including the President of the Management Board. The number of Management Board Members is defined by the Supervisory Board. Currently, the ENEA S.A. Management Board is composed of six Members. The composition of the Company's Management Board as at the date of preparation of this report is presented in Section 9 "Governing bodies".

### **11.9.2. Rules for appointing and dismissing members of managing bodies**

In accordance with the Company's Statute, Management Board Members or the entire Management Board are appointed and dismissed by the Supervisory Board, subject to the option to elect one person by the Company employees pursuant to § 14 of the Company's Statute. § 14 of Company's Statute provides that if the annual average employment in the Company is more than 500 employees (there is no such situation in ENEA S.A. at present), the Supervisory Board appoints one person elected by the Company employees as a Management Board Member for the term of office of the Management Board. When appointing Management Board Members, the Supervisory Board complies with the rules set forth in § 13(8) and (9) of the Company's Statute and the principles resulting from the provisions of generally binding laws. The rules and procedure for electing a Management Board Member elected by the employees have been described in § 14(7) of the Company's Statute.

### **11.9.3. Competences and powers of the Management Board**

The Management Board runs the Company's day-to-day business and represents it. The powers, organization and principles of operation of the Management Board are defined by the provisions of the Commercial Companies Code, the Company's Statute and the Rules and Regulations of the Management Board. Resolutions of the Management Board are required for all matters exceeding the scope of the Company's ordinary activities, in particular:

- adopting the Company's organizational rules and regulations, subject to their approval by the Supervisory Board
- establishing and liquidating branches,
- appointing a commercial proxy and an attorney-in-fact, save an attorney for litigation purposes, with the appointment of a commercial proxy requiring the consent of all Management Board Members,
- taking out loans and borrowings,
- adopting annual material and financial plans, including investment plans, and strategic multiannual plans, subject to their approval by the Supervisory Board,



- incurring contingent liabilities, including granting warranties and sureties and issuing bills of exchange by the Company,
- acquiring, disposing of, or encumbering real property, perpetual usufruct or real property interest on the basis of one or more legal acts during twelve consecutive months with a value of the equivalent of PLN 200,000 or more,
- granting the leasing, renting, hiring, lending, usufruct or any other use of the Company's real property,
- assuming the leasing, renting, hiring, usufruct or any other use of the real property, on the basis of one or more legal acts during twelve consecutive months, with the value of the rent for the twelve consecutive months equivalent to PLN 200,000 or more,
- acquiring, selling or encumbering non-current assets, with the exception of real property, perpetual usufruct or real property interests, on the basis of one or more legal acts during twelve consecutive months, with a value equivalent to PLN 200,000 or more,
- granting the leasing, renting, hiring, lending, usufruct or any other use of non-current assets, except for real property,
- assuming the leasing, renting, hiring, usufruct or any other use of non-current assets, except for real property, on the basis of one or more legal acts, during twelve consecutive months, with the value of the rent for twelve consecutive months equivalent to PLN 200,000 or more,
- matters the resolution of which is requested by the Management Board from the Supervisory Board or General Meeting,
- determining the method of exercising the voting right by the Company at the General Meeting or Shareholder Meeting of Material Subsidiaries,
- adopting rules and procedures aimed at implementing the common economic interest of the group, including those based on the group's business segments (business areas) and shaping: organizational, information-related and decision-making structures within the group as well as procedures for managing business activities and joint ventures within the group in order to ensure the functional and economic efficiency of the group's business.

#### **11.9.4. Management Board's principles of operation**

The Management Board operates on the basis of the provisions of the Commercial Company Code, the Company's Statute and the Rules and Regulations of the ENEA S.A. Management Board. The Rules and Regulations of the Management Board are adopted by a resolution of the Management Board and approved by the Supervisory Board. The current version of the Rules and Regulations of the ENEA S.A. Management Board was approved by a resolution of the Supervisory Board on 26 January 2022.

Two Members of the Management Board acting jointly or one Member of the Management Board acting jointly with a commercial proxy are required to make declarations of will on behalf of the Company.

In accordance with the Rules and Regulations of the Management Board, meetings of the Management Board are held on Tuesdays at the Company's registered office unless the President of the Management Board or a Management Board Member appointed by the President decides otherwise.

Meetings of the Management Board of the Company are convened by the President of the Management Board or by a Management Board Member appointed by the President at his/her own initiative or at the request of two Management Board Members. The participation in meetings of the Management Board is obligatory. A Management Board Member gives reasons for his/her absence at a meeting of the Management Board in writing or using means of remote communication. Absence at a meeting of the Management Board is excused by the Chairperson of the meeting. Company employees, experts and external advisors may be invited to meetings of the Management Board. The agenda and necessary documents for a meeting of the Management Board are delivered by the Service Office for the Company's Bodies at least two business days prior to the meeting of the Management Board. For important reasons, a meeting may be convened with immediate effect and without delivering any materials. A condition for holding an ad-hoc meeting is an effective notice of the meeting to all Management Board Members.

Management Board decisions relating to the management of the Company affairs as referred to in § 11 item 2 of the Company's Statute require a resolution of the Management Board. The Management Board adopts resolutions if at least a half of its Members are present at a meeting and all Members have been duly notified of the meeting. In the event of a tie vote when adopting a resolution by the Management Board, the President of the Management Board has the casting vote.

The Management Board may adopt resolutions using means of direct remote communication or in writing with the adoption of a resolution in accordance with this procedure requires substantiation and a prior presentation of the draft resolution to all Management Board Members. Resolutions adopted in writing or by means of direct remote communication will be presented at the next meeting of the Management Board with the outcome of the voting.

The full text of the Statute and the Rules and Regulations of the ENEA S.A. Management Board containing a detailed description of the activities of the Management Board is available at [www.enea.pl](http://www.enea.pl) in the "Investor Relations" -> "Corporate Governance" tab.

### **11.10. ENEA S.A. Supervisory Board**

#### **11.10.1. Composition**

In accordance with the Company's Statute, the Supervisory Board is composed of between 6 and 15 Members appointed by: (i) the General Meeting, (ii) the Company employees and (iii) the State Treasury. The Supervisory Board should be as a minimum composed of two persons nominated by the General Meeting from among the persons satisfying the independence criterion specified in the corporate governance rules adopted by the Supervisory Board of the Warsaw Stock Exchange. At present, the ENEA S.A. Supervisory Board is composed of ten Members and is the Supervisory Board of the 10th term of office. The composition of the Company's Supervisory Board as at the date of publication of this report, including the information about changes in 2021, and until the day of preparation of the report is presented in Section 9 "Governing bodies".

#### **11.10.2. Principles of operation**

The Supervisory Board operates on the basis of the provisions of the Commercial Company Code, the Company's Statute and the Rules and Regulations of the ENEA S.A. Supervisory Board adopted by a resolution of the Supervisory Board of 15 December 2009. The Rules and Regulations of the ENEA S.A. Supervisory Board amended by a resolution of the Supervisory Board of 25 November 2020 is currently in force. The Supervisory Board exercises permanent supervision over the Company's activity in all areas of its activity. Special duties of the Supervisory Board include evaluation of the Management Board's report on the Company's activity and the financial statements for the previous financial year in terms of their compliance with the books, documents and facts.

Additionally, the competences of the Supervisory Board include evaluation of the motions of the Management Board regarding distribution of profit or coverage of loss as well as submission of an annual written report on the outcome of such an evaluation to the General Meeting. The Supervisory Board holds meetings at least once every two months. Meetings of the Supervisory Board are convened by the Chairperson or Deputy Chairperson of the Supervisory Board while presenting a detailed agenda. A meeting of the Supervisory Board should be convened at request of each Supervisory Board Member or under a motion of the Management Board. A Supervisory Board Member is obliged to participate in a meeting of the Supervisory Board. A Supervisory Board Member presents the reasons for his/her absence in writing. Excusing the absence of a Supervisory Board Member requires a resolution of the Supervisory Board.

### **11.10.3. Operation of the ENEA S.A. Supervisory Board**

A meeting of the Supervisory Boards is convened within two weeks of the date of receiving a motion. The convening of a meeting of the Supervisory Board requires a written invitation to all Supervisory Board Members at least 7 days prior to the meeting of the Supervisory Board. The Chairperson of the Supervisory Board may shorten the time-limit to 2 days for important reasons and determine the invitation delivery method. In the invitation to a meeting of the Supervisory Board, the Chairperson sets the date of the meeting, place of the session and a detailed draft agenda. Materials concerning the matters included in the agenda are sent along with the invitation.

In cases indicated in the Rules and Regulations of the Supervisory Board, meetings of the Supervisory Board may also be held without being formally convened.

Meetings of the Board are conducted by the Chairperson of the Supervisory Board or, in his/her absence, by the Deputy Chairperson or another Supervisory Board Member selected at the meeting.

The Chairperson of the Supervisory Board, and in his/her absence the Deputy Chairman or another Supervisory Board Member chairing the meeting, ensures that meetings of the Supervisory Board are conducted efficiently and correctly, in accordance with the adopted agenda, legal regulations, the Statute and the Rules and Regulations of the ENEA S.A. Supervisory Board, and, in particular, has an exclusive right to:

- open, conduct and close meetings of the Supervisory Board,
- give the floor to and take the floor away from Supervisory Board Members,
- issue standing orders,
- order voting, ensure that it is held properly and announce its outcome,
- resolve procedural issues,
- order recess in meetings of the Supervisory Board,
- give instructions to the minute-taker at the meeting of the Supervisory Board,
- distribute written resolutions of the Supervisory Board,
- take any other actions required for an efficient operation of the Supervisory Board.

When considering each tabled matter, the Supervisory Board Members have the right to evaluate draft resolutions by way of a discussion or put forward amendments to them. The discussion should be held in accordance with the following rules:

- a Supervisory Board Member may take the floor exclusively in matters included in the agenda and as regards the currently considered item on the agenda,
- when considering each issue on the agenda, depending on its subject, the Chairperson may set a time-limit per speaker,
- the Chairperson may instruct the speaker who diverges from the topic, exceeds the permitted time-limit, or makes prohibited utterances,
- the Chairperson has the right to take the floor away from the speakers who do not abide by the Chairperson's instructions or who take the floor in breach of the Rules and Regulations,
- the Chairperson decides on termination of the discussion after hearing the Supervisory Board Members who have requested to speak.

The proposed agenda may be changed if all Supervisory Board Members are present at a meeting and no one objects to the proposed change in the agenda. A matter not included in the agenda is included to the agenda of the next meeting.

The Supervisory Board adopts resolutions if at least a half of its Members are present at a meeting and all Members have been duly invited. The Supervisory Board adopts resolutions by an absolute majority of votes.

In the event of a tie vote when adopting a resolution by the Supervisory Board, the Chairperson has the casting vote.

Subject to the events described in the Commercial Company Code, the Supervisory Board may adopt resolutions without holding a meeting: 1) by affixing signatures on the same copy (copies) of the draft resolution or on separate documents containing the same text or 2) using a telephone or other means of remote communication in a manner enabling direct communication of all participating Members.

The adoption of a resolution in accordance with the procedure provided in item 1) requires its prior substantiation and presentation of the draft resolution to all Supervisory Board Members along with the substantiation. Resolutions adopted in writing or by means of direct remote communication are presented at the next meeting of the Supervisory Board with the outcome of the voting. The

Supervisory Board may adopt resolutions in writing or by means of direct remote communication also in matters for which the company's Statute provides for a secret ballot unless an objection is made by any Supervisory Board Member. Supervisory Board Members may participate in adopting resolutions of the Supervisory Board by casting votes in writing through another Supervisory Board Member (subject to Article 388 § 2 of the Commercial Company Code).

The full text of the Statute and the Rules and Regulations of the ENEA S.A. Supervisory Board containing a detailed description of the activities of the Supervisory Board is available at [www.enea.pl](http://www.enea.pl) in the "Investor Relations" -> "Corporate Governance" tab.

#### 11.10.4. Supervisory Board's Committees

In accordance with the provisions of the Rules and Regulations of the Supervisory Board, the following standing committees operate within the Supervisory Board:

- Audit Committee,
- Nominations and Remuneration Committee,
- Strategy and Investment Committee.

Each Committee is composed of at least three Members appointed and dismissed by the Supervisory Board from among its Members for the period equal to the term of office of the Supervisory Board. Members of the Committee elect the Chairperson of the Committee from among themselves. The Chairperson of a Committee manages the works performed by the Committee, in particular the organization and meetings of the Committee.

##### 11.10.4.1. Audit Committee

As at the day of publication of this report, the Audit Committee operates in the following composition:

Audit Committee	
Name	Function
Tomasz Lis <sup>1)2)3)</sup>	Chairman
Dorota Szymanek <sup>1)</sup>	Member
Roman Stryjski <sup>1)</sup>	Member
Maciej Mazur <sup>1)</sup>	Member
Piotr Mirkowski <sup>1) 3)</sup>	Member
Mariusz Pliszka <sup>1) 3)</sup>	Member

<sup>1)</sup> An independent member within the meaning of Article 129(3) of the Act of 11 May 2017 on certified auditors, audit firms and public supervision and within the meaning of the corporate governance principles included in the Best Practice for WSE Listed Companies 2021,

<sup>2)</sup> Member with knowledge and skills in accounting or audit of financial statements, based on his/her education and previous professional experience.

<sup>3)</sup> Member with knowledge and skills in the industry in which the issuer operates, based on his/her education and previous professional experience.

##### 11.10.4.1.1. Activity of the Audit Committee

A detailed description of the powers of the Committee is included in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Journal of Laws of 2017, item 1089, as amended) and the Rules and Regulations of the ENEA S.A. Supervisory Board.

Most Audit Committee Members, including the Chairperson of the Audit Committee, should satisfy the independence criterion within the meaning of Article 129(3) of the Act of 11 May 2017 on Certified Auditors, Audit Firms and Public Oversight, and the Audit Committee should be composed of at least one Member who has knowledge and skills in accounting or auditing of financial statements. Audit Committee Members have knowledge and skills in the industry in which the Issuer operates. This condition is considered satisfied if at least one Audit Committee Member has the knowledge and skills in the industry or individual Members have the knowledge and skills in the industry in specific fields.

The task of the Audit Committee is to advise the Supervisory Board about the internal policy and budgetary procedures adopted by the Company and control them as well as provide consultancy about the Company's relationship with a statutory auditor, including in particular:

- 1) monitoring:
  - a) the Company's financial reporting process,
  - b) the effectiveness of internal control systems and risk management system as well as internal audit, including financial reporting,
  - c) the performance of financial audit operations, in particular the performance of an audit by an audit firm, taking into account any requests and findings of the Polish Audit Oversight Committee arising from the control carried out in the audit firm;
- 2) controlling and monitoring the independence of a certified auditor and an audit firm, in particular where the audit firm performs services other than audit to the Company;
- 3) notifying the Supervisory Board of the results of an audit and explaining how the audit contributed to the reliability of financial reporting in the Company and the role of the Audit Committee in the auditing process;
- 4) assessing the independence of a certified auditor and giving consent to the auditor to provide permitted services other than audit in the Company;
- 5) developing the policy for the selection of an audit firm to conduct an audit;
- 6) developing the policy for the provision of permitted services other than audit by the audit firm conducting an audit, the audit firm's affiliates and a member of the audit firm chain;
- 7) determining the procedure for the selection of an audit firm by a public interest entity;
- 8) presenting recommendation on the appointment of certified auditors or audit firms to the Supervisory Board in accordance with the policies referred to in Sections 5 and 6;

- 9) making recommendations aimed to ensure reliability of the financial reporting process in the Company;
- 10) monitoring the reliability of the financial information presented by the Company, in particular by way of reviewing the appropriateness and consequences of applying the accounting methods adopted by the Company and its group (including the criteria for consolidation of financial statements of group companies);
- 11) evaluating and submitting an internal audit plan to the Supervisory Board for approval;
- 12) evaluating and submitting an annual budget of the Group's Audit and Internal Control Department to the Supervisory Board for approval;
- 13) evaluating and submitting any changes in the scope of activities of the Group's Audit and Internal Control Department to the Supervisory Board for approval;
- 14) discussing any problems or concerns that may result from an audit of financial statements;
- 15) discussing the nature and scope of the audit with the Company's certified auditors prior to any audit of the annual financial statements and coordinating the operations of the Company's certified auditors;
- 16) reviewing the Company's periodic and annual financial statements (standalone and consolidated);
- 17) analyzing letters to the Management Board prepared by the Company's certified auditor, independence and objectivity of the audit conducted by the auditor and the Management Board's replies;
- 18) reviewing, at least once a year, internal control and risk management systems in view of ensuring that the main risks (including those related to the compliance with the applicable laws and regulations) are correctly identified, managed and disclosed;
- 19) ensuring the effectiveness of the internal audit by expressing an opinion on the election, appointment or recall of the Director of the Group's Audit and Internal Control Department as well as monitoring the reaction of the Management Board of the Company to its findings and recommendations;
- 20) issuing an opinion on withdrawing from the payment conditions (reducing the remuneration) of the Director of the Group's Audit and Internal Control Department;
- 21) analyzing the reports of the Company's internal auditors, the key conclusions of other internal analysts, and the Management Board's response to those conclusions, as well as examining the degree of independence of internal auditors;
- 22) controlling the nature and scope of services other than auditor services, in particular based on the external auditor's disclosure of the sum of all fees contributed by the Company and its Group to the audit firm and its chain, in view of preventing a significant conflict of interest in this regard;
- 23) reviewing the effectiveness of the external control process and monitoring the Company Management Board's reaction to the recommendations presented by the external auditors in a letter to the Management Board;
- 24) investigating the reasons for not using the services of an external auditor and issuing recommendations regarding the required actions;
- 25) cooperating with the Group's Audit and Internal Control Department and periodically assessing their work;
- 26) reviewing the Company's management accounting system;
- 27) considering any and all other issues related to the Company's audit, pointed out by the Committee or the Supervisory Board,
- 28) notifying the Supervisory Board of any and all issues of significance regarding the activity of the Audit Committee.

#### **11.10.4.1.2. Cooperation with an audit company**

##### **Main assumptions of the prepared policy for the selection of an audit firm to conduct an audit in ENEA S.A.**

The policy for the selection of an audit firm in place at ENEA S.A. provides, above all, for avoiding conflicts of interest by obtaining a declaration of the audit firm, before it accepts or continues the audit contract, that requirements regarding independence (both with reference to the audit firm and the certified auditor) are met, and in particular that there are no risks to independence towards ENEA S.A. Each year, the audit firm confirms its independence to the Audit Committee and presents the risks to its independence as well as the safeguards applied to mitigate said risks. Furthermore, the selection of an audit firm takes into account above all the audit team's experience in the field of audit, its expertise, the financial criterion and the human resources. An audit firm is selected in compliance with the principle of impartiality and independence of audit firms, in accordance with the laws related to the mandatory regular replacement of audit firms and key certified auditors, mandatory grace periods and results of audit firm controls presented in the annual report published by the Polish Audit Oversight Committee.

The policy for the selection of an audit firm provides also for the principles of regular replacement of audit firms and certified auditors in accordance with the provisions of the Act of 11 May 2017 on certified auditors, audit firms and public oversight. (Journal of Laws of 2017, item 1089, as amended; hereinafter referred to as the Act on Auditors).

##### **Main assumptions of the Policy on the provision of acceptable services other than audit by an audit firm**

ENEA S.A. and its subsidiaries are allowed to use acceptable services (defined pursuant to Article 136 of the Act on Auditors), which are provided by an audit firm that conducts the audit of ENEA S.A.

The policy for the provision of acceptable services other than audit by an audit firm contains a closed catalog of acceptable services, the provision of which is allowed only to the extent that is unrelated to the tax policy of the ENEA Group companies. An acceptable service other than audit may be provided by an audit firm that conducts the audit of ENEA S.A. provided that the firm was approved by the Audit Committee beforehand, upon an assessment of risks and safeguards of independence of the audit firm, the key certified auditor and other audit team members. In addition, where the audit firm that conducts an audit of ENEA S.A. provides acceptable services other than audit for the period of at least three consecutive financial years, the remuneration for the provision of said services is limited to 70% of the average remuneration of the three past consecutive financial years paid in respect of the statutory audit of ENEA S.A. and, as applicable, its subsidiaries and consolidated financial statements of this Group. In the case of prohibited services, i.e. services other than acceptable services, their direct and indirect provision at ENEA S.A. and its subsidiaries by the



audit firm that conducts an audit of ENEA S.A. is prohibited in the period from commencement of the audited period to the issue of an audit report.

In 2021, acceptable services other than audit were provided to the ENEA Group by an audit firm auditing the financial statements, and the ENEA S.A. Supervisory Board Audit Committee approved the acceptable services other than audit upon an assessment of risks and safeguards of independence. The ENEA S.A. Supervisory Board Audit Committee's recommendation as to the selection of an audit firm to conduct an audit met the applicable conditions and was prepared as a consequence of the selection procedure, organized by the Company, meeting the applicable criteria.

#### 11.10.4.1.3. Activity of the Audit Committee in 2021

##### Audit Committee

In 2021, the Audit Committee held 7 meetings and adopted 16 Resolutions, regarding, without limitation, the following:

- approval of the report on the proceeding to appoint an audit firm for ENEA S.A. and the ENEA Group subsidiaries for 2021–2022, issue of recommendations, approval of provision of acceptable services other than audit, and delivery of the approved report along with a recommendation to the ENEA S.A. Supervisory Board so that the ENEA S.A. Supervisory Board could make a decision on selection of an audit firm,
- consent to the provision of acceptable services other than audit by PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. to ENEA S.A.,
- consent to the provision of an acceptable service other than audit by PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. to Lubelski Węgiel "Bogdanka" S.A.,
- approval of information for the Supervisory Board on the results of the audit of the financial statements of ENEA S.A. and the ENEA Group for the financial year ended 31 December 2020,
- approval, by the ENEA S.A. Supervisory Board Audit Committee, of final report no. 1/2021 on the audit, entitled "General assessment of the internal control system at ENEA S.A.", for adoption and provision of management information on the assessment of the internal control system at ENEA S.A. to the ENEA S.A. Supervisory Board,
- adoption of the Report of the ENEA S.A. Supervisory Board Audit Committee on its activities in 2020,
- an opinion on the amended Derivative Document entitled "Internal Audit Policy of the ENEA Group" (4th edition) and provision of this document to the ENEA S.A. Supervisory Board for approval,
- evaluation of the methods of auditing the Condensed Interim Standalone Financial Statements of ENEA S.A. for the period from 1 January 2021 to 30 June 2021 and the Condensed Interim Consolidated Financial Statements of the ENEA Group for the period from 1 January 2021 to 30 June 2021,
- adoption of the Report of the ENEA S.A. Supervisory Board Audit Committee on its activities in H1 2021,
- election of the Chairperson of the Audit Committee,
- an opinion on the Annual Audit Plan for 2022 and submission thereof to the ENEA S.A. Supervisory Board for approval,
- an opinion on the Budget of the Group's Audit and Control Department for 2022 and submission thereof together with an opinion to the ENEA S.A. Supervisory Board for approval.

#### 11.10.4.2. Nominations and Remuneration Committee

As at the date of publication of this report, the Nominations and Remuneration Committee operates in the following composition:

Nominations and Remuneration Committee	
Name	Function
Roman Stryjski <sup>1)</sup>	Chairman
Michał Jaciubek <sup>1)</sup>	Member
Paweł Korobłowski <sup>1)</sup>	Member
Piotr Mirkowski <sup>1)</sup>	Member
Rafał Włodarski	Member

<sup>1)</sup> An independent member within the meaning of the corporate governance principles included in the Best Practice for WSE Listed Companies 2021.

##### 11.10.4.2.1. Activity of the Nominations and Remuneration Committee

The Nominations and Remuneration Committee should include at least one independent member within the meaning of the European Commission Recommendation, and if more than one person meeting the above mentioned independence criteria are appointed to the Supervisory Board, such a committee should include the highest possible number of independent members.

The Nominations and Remuneration Committee is tasked with supporting the achievement of the Company's strategic objectives by providing the Board with opinions and conclusions regarding the Company's staff employment and remuneration structure, in particular in relation to the management staff. The responsibilities of the Nominations and Remuneration Committee are described in the Rules and Regulations of the ENEA S.A. Supervisory Board.

In particular, the responsibilities of the Committee include:

- analyzing the Management Board's policy regarding nomination, selection and appointment of senior management staff;
- providing the Board with proposals regarding remuneration and forms of employment of Management Board members taking into account their hitherto achievements;
- providing the Supervisory Board with opinions regarding substantiation for awarding performance-based remuneration and incentives in the context of assessment of the degree to which specific Company's tasks and goals are achieved, and with proposals in this regard;
- assessing the human resource management system in the Company;
- performing periodical appraisal of the skills, knowledge and experience of individual members of the Management Board and management staff and presenting the appraisal results to the Board.

#### 11.10.4.2.2. Activity of the Nominations and Remuneration Committee in 2021

##### Nominations and Remuneration Committee

In 2021, the Nominations and Remuneration Committee held 6 meetings and adopted 18 resolutions. The Committee's meetings focused, among others, on drafting recommendations for the Supervisory Board regarding:

- proposals for Management Objectives for the ENEA S.A. Management Board Members for 2021,
- execution of management contracts with the ENEA S.A. Management Board Members and annexes to management contracts with the ENEA S.A. Management Board Members,
- the achievement of Management Objectives in 2020 and setting the amount of the due Variable Remuneration to be paid out to the ENEA S.A. Management Board,
- adoption of a resolution on setting the remuneration of the ENEA S.A. Management Board Members,

#### 11.10.4.3. Strategy and Investment Committee

The Strategy and Investment Committee is composed of:

Strategy and Investment Committee	
Name	Function
Rafał Włodarski	Chairman
Dorota Szymanek	Member
Michał Jaciubek	Member
Paweł Korobłowski	Member
Tomasz Lis	Member
Maciej Mazur	Member
Mariusz Pliszka	Member

##### 11.10.4.3.1. Activity of the Strategy and Investment Committee

The purpose of the Strategy and Investment Committee is to issue opinions and submit recommendations to the Supervisory Board on planned investments and divestments which exert a significant impact on the Company's assets. In particular, the Committee's responsibilities include:

- assessment of the impact of planned and undertaken investments and divestments on the Company's assets;
- assessment of activities, contracts, letters of intent and other documents related to activities aimed at the acquisition, disposition, encumbrance or other distribution of the Company's material assets,
- issuing opinions on any and all strategic documents submitted to the Supervisory Board by the Management Board,
- issuing opinions on the Company's development strategy, including long-term financial plans,
- monitoring the pursuit of the Company's development strategy and investment projects.

##### 11.10.4.3.2. Activity of the Strategy and Investment Committee in 2021

##### Strategy and Investment Committee

In 2021, the Strategy and Investment Committee held 6 meetings and adopted 10 Resolutions, regarding, without limitation, the following:

- an opinion on the Investment Plan of ENEA S.A. for 2021, being an integral part of the Material and Financial Plan of ENEA S.A. for 2021;
- an opinion on the Investment Plan of the ENEA Group for 2021, being an integral part of the Material and Financial Plan of the ENEA Group for 2021;
- adoption of the Report of the ENEA S.A. Supervisory Board Strategy and Investment Committee on its activities in 2020;
- an opinion on the draft of the document titled "Implementation of the ENEA Group Development Strategy until 2030 with an outlook to 2040";
- an opinion on the Investment Plan of ENEA S.A. for 2022, being an integral part of the Material and Financial Plan of ENEA S.A. for 2022;
- an opinion on the Investment Plan of the ENEA Group for 2022, being an integral part of the Material and Financial Plan of the ENEA Group for 2022.