
Response to questions submitted by shareholders pursuant to Article 428 § 6 of the Commercial Company Code

Shareholders questions – original spelling

Shareholder 1 Question 1

1. In its earlier letter, the Management Board gave an answer to the question about the bonuses paid to miners: Loan agreements with the PFR do not contain restrictions on the payment of remuneration to employees. However: According to the Supreme Court, a discretionary bonus does not have the nature of a claim and is not a component of remuneration for work. A bonus is a reward, a form of profit sharing. That was the arrangement with the Unions, that JSW would pay bonuses out of the profits made by the miners, and the Trade Unions used the need to share profits as an argument for the bonus. Is the Management Board aware of the breach of the agreement with PFR and does it intend to repay the loan in order to avoid criminal liability?
A discretionary award is not a form of profit sharing, but a form of incentive to continue efficient work, granted to an employee at the discretion of the Plant Director for reliable performance of vocational duties. A bonus is one thing, and a discretionary award is another. Moreover, the Salary Agreement from February this year included a provision stipulating a 15.4% increase in the salary fund over the previous year. As part of this increase, an increase in basic salary rates was implemented as of January 1, and the remainder of the unused fund was realized in the form of a discretionary award.
2. Does the fact that the PFR loan will not be repaid until October 2024 prevent the payment of dividends for 2023?
The question of the decision on the distribution of profit is within the powers of the Shareholder Meeting. The Shareholder Meeting has made decisions on how to distribute profits for 2021 and 2022. However, as for the issue of distributing a profit for 2023, if any, or covering a loss for 2023, if any (2023 is underway and the result, i.e. profit/loss for that year, is not known), the Shareholder Meeting will also decide within the timeframe prescribed by the CCC.
3. Why has the Management Board abandoned the preventive measures that were to protect the company from the cash outflow for the pseudo-tax?
The JSW Management Board has actively participated in the consultations related to the creation of the national measure equivalent to the EC Regulation. The activity of the Management Board took the form of issuing opinions, submitting comments and making specific proposals on the wording of the national act. All the measures taken by the Company's Management Board were aimed at protecting the interests of the Company.
4. Instead of taking action to protect the company's interests, the Management Board has taken a passive approach and knowingly lead to the tunneling of profits to the majority shareholder. Is the Management Board aware of the consequences of its passivity?
The powers of the Management Board and of other bodies of the Company are defined by the generally applicable laws and by the provisions of the Company's Articles of Association. The Board of Directors has exercised the powers vested in it with required diligence.
5. Why hasn't President Cudny reneged on his promise to repay the PFR loan first if the outlook changed? Doesn't President Cudny believe that this would be a very important piece of information for the shareholders?

In assessing the appropriateness of maintaining the funding from the PFR, the Management Board is guided by financial terms and the interests of the Company. The Management Board reported on the restrictions related to PFR's financing in Current Report no. 40/2020 and 41/2020, during results conferences and chats with investors.

6. Is it true that employees have, in their contracts, a provision on profit-sharing and on bonus payment on this account.
The employment contracts introduced in 2012 contain a provision, according to which "an employee may receive a profit-sharing award if such an award is granted by a Shareholder Meeting resolution".
7. Does the Management Board understand the term of profit tunneling?
The question does not refer to the Company's activity. The Company's Management Board duly identifies all the legal and economic circumstances affecting the Company's operations.
8. What does the company mean by the appropriate action that it intends to take after the introduction of the pseudo-tax, that the company mentioned in its response to questions submitted by a shareholder and published in Report 17/2023?
The Management Board will make a decision based on the generally applicable laws, including the provisions of the Act of 16 August 2023 amending the act on special solutions for the protection of electricity consumers in 2023 in connection with the situation on the electricity market and certain other acts.
9. Will the 15% payment to JSW employees on the tax amount not constitute a breach of the salary agreement signed in 2023?
The Trade Unions launched a collective dispute in connection with the Solidarity Act. As part of the resolution of the collective dispute on the basis of the Act on the Resolution of Collective Disputes, an additional Salary Agreement may be signed, which will not contradict the Agreement signed in February of this year.
10. When representing the interests of the Company, does the Management Board act in accordance with the provisions of the Constitution of the Republic of Poland? (YES/NO)
All of the Company's bodies are guided in their actions by the provisions of generally applicable law.
Does the Management Board share the view of the main shareholder that national law takes precedence over EU law? (YES/NO)
Pursuant to Article 368 § of the Commercial Company Code, the Management Board runs the Company's affairs and represents the Company. However, the powers of the Management Board do not include the publication of legal interpretations.
Will the Management Board give its consent for the company to pay a retroactive tax, which violates the provision of the constitution, if such a tax is introduced? (YES/NO)
The Management Board will make a decision based on the generally applicable laws, including the provisions of the Act of 16 August 2023 amending the act on special solutions for the protection of electricity consumers in 2023 in connection with the situation on the electricity market and certain other acts.
Is the Management Board aware of the position of the Trade Unions operating in the company regarding the solidarity tax? (YES/NO)
The representative trade unions have launched a collective dispute with the employer in connection with the draft Solidarity Act to pay 15% of the contribution amount in the form of an additional award to employees.

Does the management board share the view that the potential imposition of the tax on Jastrzębska Spółka Węglowa, in violation of all existing standards, is first and foremost unfair. JSW, as a producer of a critical raw material for the EU, cannot and should not be burdened with the planned tax on the sale of coking coal, which is not quoted on the energy markets and is not used for the production of energy, but for the production of steel; and the management board seems unable to inform the relevant people in the government with whom it has conducted consultations that were mentioned during the conference. Does the Management Board see no need to intervene in respect to the proposed tax at the stage of legislative work? (YES/NO) *Pursuant to Article 368 § of the Commercial Company Code, the Management Board runs the Company's affairs and represents the Company. However, the powers of the Management Board do not include the publication of assessments of the legal situation.*

Has the Management Board participated in public consultations on the solidarity tax? (YES/NO)

The JSW Management Board has actively participated in the consultations related to the creation of the national measure equivalent to the EC Regulation. The activity of the Management Board took the form of issuing opinions, submitting comments and making specific proposals on the wording of the national act. All the measures taken by the Company's Management Board were aimed at protecting the interests of the Company.

Has the Management Board estimated which investments the Company would have to give up if the amount of PLN 2 billion is withdrawn from the Company (if so, which ones)? Has the Management Board informed the consortium of banks financing the Company in the amount of PLN 1.65 billion about the risk that the cash may be spent on the solidarity contribution (if so, then what amount was mentioned)?

The Company implements investment processes in accordance with its strategy and investment plans. During the process of raising financing, the Management Board informed the financial institutions about the risks identified.

Has the management board contacted the supervisory board in order to determine the steps it intends to take if the solidarity tax is introduced? (YES/NO)

The topic of the solidarity contribution and its impact on the Company's operations has been discussed repeatedly at Supervisory Board meetings with the participation of the Company's Management Board.

Has the Management Board attempted to sign an annex to the PFR loan in order to allow for the distribution of profit? If it has - when was it, and if it has not - when will it do so?

The Company has made a written inquiry to PFR regarding the possibility of paying dividends and PFR has responded stating that a dividend payment would constitute an event of default.

11. Isn't the management board ashamed that, at the time of very high coke prices, the company is valued on the stock exchange as a bankrupt?

The Company is listed on a regulated market, and the valuation of the Company's shares is driven by market mechanisms.

12. Is the management board aware that most minority shareholders believe that the management board is acting to the detriment of the company?

The JSW Management Board does not act to the detriment of the company.

13. Is the management board aware that most minority shareholders believe that the management board is acting to the detriment of the minority shareholders?

The JSW Management Board does not act to the detriment of minority shareholders.

14. Is the management board aware that most minority shareholders are not happy with the management board's actions?

Pursuant to Article 368 § of the Commercial Company Code, the Management Board runs the Company's affairs and represents the Company. It is not within the Management Board's powers to determine the

assessments and views of individuals and businesses. JSW's Management Board conducts transparent, open and reliable communication with all capital market participants. Communication standards are based on respecting the principles of common and equal access to information while ensuring compliance with the law.

15. Is the management board aware that most minority shareholders believe that the management board carries out political orders coming from the top?
Pursuant to Article 368 § of the Commercial Company Code, the Management Board runs the Company's affairs and represents the Company. It is not within the Management Board's powers to determine the assessments and views of individuals and businesses.
16. Is the management board aware that most minority shareholders expect the management board to be changed after the election of October 15th?
According to the Company's Articles of Association, Management Board members are appointed and dismissed by the Supervisory Board.
17. Is the management board aware how many minority shareholders invested in the company on the date of its first listing?
In the public offering of Series A and B shares of JSW S.A., 161,695 individual investors subscribed and shares were allotted to 161,676 individuals (19 individual investors withdrew their subscriptions).
18. Does the management board have the courage to apologize to the minority shareholders for its actions from 2020 to 2023 (August)? For the money lost and the stress? For the dishonesty of Presidents Cudny and Ostrowski?
The Management Board of the Company has always taken guidance from legal and economic conditions and the interests of the Company. JSW's Management Board conducts transparent, open and reliable communication with all capital market participants. Communication standards are based on respecting the principles of common and equal access to information while ensuring compliance with the law.
19. Does President Cudny have the courage to apologize to the minority shareholders for his actions?
The Management Board of the Company has always taken guidance from legal and economic conditions and the interests of the Company.
20. Is the board not ashamed that other coking coal companies have achieved historic record market prices while JSW has lost more than 40% of its value since the beginning of the year?
The Company is listed on a regulated market, and the valuation of the Company's shares is driven by market mechanisms.
21. The Management Board cannot act to the detriment of the company. But can it act to the detriment of its minority shareholders?
The JSW Management Board does not act to the detriment of the company or its minority shareholders. It is the Management Board's objective is to enable the long-term development of the company and to create value for its stakeholders.
22. If it cannot then how has the management board been taking care of the company's stock price? Minority shareholders depend on the stock market valuation. If JSW's share price is declining then minority shareholders lose their money. So what is the management board doing to ensure that the company's owners, the shareholders, do not lose money on the company's valuation?

The Company is listed on a regulated market, and the valuation of the Company's shares is driven by market mechanisms. JSW's Management Board conducts transparent, open and reliable communication with all capital market participants. Communication standards are based on respecting the principles of common and equal access to information while ensuring compliance with the law.

23. Does the management board believe that JSW should be taken over by Orlen?
The Management Board sees no grounds for analyzing such a scenario.
24. Does the management board believe that JSW should be delisted?
The Management Board has not identified any grounds that would justify the delisting of JSW's shares from a regulated market.
25. What are the benefits perceived by the management board of the company being listed on the stock exchange?
The listing of JSW's shares ensures higher trading liquidity.

Shareholder 2 Question 1

26. Does the Management Board confirm that, given the enactment of the Solidarity Contribution Act (which is likely to be signed by the President soon), the failure to prepay the PFR loan is in fact the Management Board's action to the detriment of the Company? The failure to prepay the loan has caused the 2022 profit to be nominally higher (no repayment), so according to the formula for calculating the solidarity contribution provided in the Act, the Company will have to pay a contribution that is about PLN 170 million higher. Please respond.
There is no direct connection between the PFR repayment and the amount of the 2022 profit and tax, and consequently the amount of the solidarity contribution, if any.
27. In light of the act enacted by the Sejm (which is likely to be signed by the President soon), does the Company intend to repay the entire PFR loan for tax optimization purposes, that is to reduce this year's profit in order to pay a lower solidarity contribution for the year?
There is no connection between the repayment to PFR and the profit and tax amount, and consequently the amount of the solidarity contribution, if any. It must also be noted that the basis for determining the amount of the solidarity contribution is the 2022 profit and not the 2023 profit, as the author of the question seems to claim.
28. Are the rumors among investors true that the Company would deliberately withhold the 2022 (which includes withholding any dividend payments) in order to have funds to pay compensation to GreenX (formerly Prairie Mining Limited), which had filed a claim against Poland in international arbitration in relation to the Jan Karski and Dębieńsko mines? According to the rumors, the Company is to buy these concessions so that the Polish State does not have to pay the compensation.
The Management Board does not comment on rumors or hearsay.
29. Since the Management Board has repeatedly pointed to the only formal reason for the lack of dividends, i.e. the obligation to repay the PFR loan, and VP Robert Ostrowski has officially confirmed that JSW's dividend policy remains valid, Please confirm that when the PFR loan is repaid in September 2024 (according to the official schedule), the outstanding dividend from the 2021, 2022 and 2023 profits will be paid to the shareholders. – please note that, for this entire period, the dividend policy remained valid and was confirmed by the Management Board.

The Management Board is fully aware of the intent of the dividend policy written in the Prospectus. It should be noted, however, that the policy specifies certain issues that the Management Board is obliged to take into account. Please note, in particular, that the dividend policy depends on: current activity results, cash flows, financial standing, capital requirements, general economic conditions, as well as legal, tax, regulatory and contractual restrictions related to dividend payments, and on other factors which the Management Board considers important, and will be subject to changes aimed at adapting it to the above factors. The Management Board's recommendation has taken and will continue to take into account the above issues.

According to the Commercial Company Code, the decision to pay dividends is within the exclusive powers of the Shareholder Meeting. The Shareholder Meeting has made decisions on how to distribute profits for 2021 and 2022. As for the issue of distributing the profit for 2023, if any, or covering a loss for 2023, if any (2023 is underway and the result, i.e. profit/loss for that year, is not known), the Shareholder Meeting will also decide within the timeframe prescribed by the CCC. If the company earns a profit then the Management Board's recommendation will take into account all the issues identified above, however the Management Board notes that this will be decided after the end of the current financial year 2023, but before the initial final repayment date of the PFR loan specified in the schedule.

30. In the context of question 3. Please state whether the Management Board will behave in the same way in securing outstanding funds for dividends as it did in securing funds for the Solidarity Contribution, which as of today (i.e. 17 August 2023) has not even been officially enacted, but this has not prevented the Management Board from openly securing these funds many months ago. In the light of the current and official dividend policy, will the Management Board do the same with funds for outstanding dividends?
According to the Commercial Company Code, the decision to pay dividends is within the exclusive powers of the Shareholder Meeting. The Shareholder Meeting has made decisions on the distribution of profits for 2021 and 2022. Therefore, there are no grounds for claiming that any funds for dividends are "outstanding".
31. Does the Management Board consider the payment of dividends to shareholders to be a risk? What is the Management Board's attitude towards dividends: is it positive or negative?
The Management Board is fully aware of the intent of the dividend policy written in the Prospectus; however, one should also bear in mind the issues written in the policy that the Management Board is obliged to take into account, and in particular it should be noted that The dividend policy depends on current activity results, cash flows, financial standing and capital requirements, general economic conditions as well as legal, tax, regulatory and contractual restrictions pertaining to dividend payments and on other factors which the Management Board considers important, and will be subject to changes aimed at adapting it to the above factors. The Management Board's recommendation has taken and will continue to take into account the above issues. According to the Commercial Company Code, the decision to pay dividends is within the exclusive powers of the Shareholder Meeting.
32. Are the actions of the Management Board aimed at undervaluing the price of JSW shares on the stock exchange, so that the main shareholder could announce a takeover bid and buy the shares cheaply?
The Management Board's actions are not aimed at undervaluing the price of JSW shares on the stock exchange.
33. How does the Management Board "analyze the proposed solutions" and what is the meaning of "takes appropriate action" in the context of the shareholder's comments concerning the illegality of the proposed solidarity contribution and the passive attitude of the Management Board? Please point to specific actions, studies, analyses. If there is no such thing, I will assume that the Management Board has taken no action.

The JSW Management Board has actively participated in the consultations related to the creation of the national measure equivalent to the EC Regulation. The activity of the Management Board took the form of issuing opinions, submitting comments and making specific proposals on the wording of the national act. All the measures taken by the Company's Management Board were aimed at protecting the interests of the Company.

34. Will the Company send a request to the President of Poland to veto the legislative act, listing all the arguments presented to the Management Board by minority shareholders?

The Company's bodies operate on the basis of the applicable law and take action in the Company's interest, correlated with the current market and economic environment.

35. According to media reports, at OKO BP, almost 300 directors were reportedly dismissed immediately after the Ministry of State Assets took control of the company. Are there people among the managers, directors and presidents (in all JSW Group companies) who were hired on the orders of the party or the Ministry of State Assets? Are there people in employment who had not submitted their CVs or who lack the necessary competencies?

The Company's recruitment processes are carried out on the basis of the JSW S.A. Recruitment Procedure, which is an annex to Resolution No. 284/IX/2017 adopted by the JSW S.A Management Board on 23 May 2017, which defines the principles of recruitment and contractual employment for labor and non-labor positions based on open and competitive recruitment.

36. What are the amounts that JSW donates for sports, church and cultural sponsorships? In view of the lack of dividends at record profits, shouldn't the Management Board show loyalty to the shareholders and suspend sponsorship in general?

Statement of expenses incurred in 2022 by Jastrzębska Spółka Węglowa S.A. and the companies comprising the JSW Group to support culture, sports, charitable institutions, the media, social welfare organizations, trade unions, etc. - in accordance with Rule 1.5 of the Code of Best Practice for WSE Listed Companies 2021 was presented on the company's website.

https://www.jsw.pl/fileadmin/user_files/ri/lad-korporacyjny/dobrepraktyki/raporty/pl/Tabela_zasada_1_5_2023.pdf

37. Given the Management Board's response to the shareholder's question: "The financial terms on which the loans from the PFR were concluded are very favorable, the interest rate is unattainable in the current market conditions (even the interest rate on deposits is higher). In this situation, early repayment of the liabilities to the PFR works to the detriment of the Company." Therefore, can the Management Board confirm that, from a purely economic point of view, the public sector is currently losing out on this loan under the current conditions?

JSW S.A. is not the correct addressee of this question. The Company is not an entity of the public finance sector.

38. Does anyone from the Ministry of State Assets pressures the JSW Management Board? Have you received any calls, emails, texts or other communications designed to persuade you to decide, take or refrain from taking any action with respect to the dividends, the prepayment of the PFR loan, the lack of response to the proposed act on solidarity contribution? Please do not refer to the law, but state in purely human terms if such situations occur.

The JSW Management Board operates on the basis of the applicable law and takes action in the Company's interest.

39. Given the numerous concerns and arguments communicated by shareholders to the Management Board against the proposed solidarity contribution, and given the numerous examples of companies and their management boards that have been able to secure an exclusion of these companies from the proposed contribution during the legislative process, and given the lack of reaction and defense of the Company's interests by the Management Board, do you not believe that your actions meet the prerequisites for being recognized as lack of loyalty to the Company under the Commercial Company Code?

Within the scope of their mandate, members of the Company's Management Board act in good faith and observe the duty of loyalty.

40. In response to questions from shareholders, you point out that President Cudny talked about repaying the PFR loan when interest rates were low, while currently such loans are not available and quick repayment is not economical for the Company. First of all, when the President spoke, nobody dreamed that the Company would earn much more than PLN 7 billion in a single year. Secondly, the President did not say that quick repayment would depend on interest rates, he only clearly indicated that it would be a priority for the Company. Please respond.

In assessing the appropriateness of maintaining the funding from the PFR, the Management Board is guided by financial terms and the interests of the Company. Before making a decision on prepayment, the Management Board assesses risks based on an analysis of all market and legal factors. One of these factors is the level of interest rates and the terms on which the Company can obtain financing.