

**The report on the activities
of the Supervisory Board
of PGE Polska Grupa Energetyczna S.A.
for the year 2022**



Prowadzimy w zielonej zmianie

Table of contents:

| | |
|--|----|
| Table of contents:..... | 2 |
| 1. Information on the Supervisory Board's term of office and activities undertaken in the previous year of the term..... | 3 |
| 2. The composition of the Supervisory Board, duties fulfilled by the particular members, changes in the composition of the Supervisory Board during the course of the financial year..... | 3 |
| 3. Information on the number of meetings held and resolutions adopted by the Supervisory Board..... | 4 |
| 4. Information on the Supervisory Board members' attendance at meetings and adopted resolutions concerning excused or unexcused absences. | 4 |
| 5. Important issues dealt with by the Supervisory Board; conducted reviews and clarifying investigations. | 5 |
| 6. Information on the implementation of resolutions of the General Meeting related to the activities of the Supervisory Board – if applicable. | 8 |
| 7. Information on the execution of a strategic or corrective programme. | 9 |
| 8. Information on the Supervisory Board's suspension of members of the Management Board in their duties or delegation of members of the Supervisory Board to perform the duties of members of the Management Board. | 9 |
| 9. Information on the Supervisory Board's decisions concerning the selection of a certified auditor. | 9 |
| 10. An analysis and evaluation of the functioning of the entities belonging to the capital group in relation to an evaluation of the consolidated financial statements of the PGE capital group..... | 10 |
| 11. Evaluation of the utilisation of the company's fixed assets, with particular consideration given to real property. | 10 |
| 12. An evaluation of the fulfilment of the independence criteria by the Members of the Supervisory Board..... | 11 |
| 13. Committees operating within the Supervisory Board..... | 11 |
| 14. A self-evaluation of the Supervisory Board's work. | 17 |

1. Information on the Supervisory Board's term of office and activities undertaken in the previous year of the term.

The Supervisory Board of PGE Polska Grupa Energetyczna S.A. (hereinafter also "Board" or "Supervisory Board") commenced its 11th term of office on 20 July 2018 to last for three years. On 22 June 2022 the Ordinary General Meeting of the company PGE Polska Grupa Energetyczna S.A. appointed the Supervisory Board of the 12th term of office.

2. The composition of the Supervisory Board, duties fulfilled by the particular members, changes in the composition of the Supervisory Board during the course of the financial year.

As at 1 January 2022 the composition of the Supervisory Board of the 11th term of office was as follows:

| Name and surname | Fulfilled duties |
|-------------------------------------|--|
| Anna Kowalik | Chairperson of the Supervisory Board |
| Artur Składanek | Vice Chairperson of the Supervisory Board – independent member |
| Grzegorz Kuczyński | Secretary of the Supervisory Board – independent member |
| Janina Goss | Member of the Supervisory Board – independent member |
| Zbigniew Gryglas¹ | Member of the Supervisory Board – independent member |
| Tomasz Hapunowicz | Member of the Supervisory Board – independent member |
| Marcin Kowalczyk | Member of the Supervisory Board |
| Mieczysław Sawaryn | Member of the Supervisory Board – independent member |
| Radosław Winiarski | Member of the Supervisory Board |

¹ in connection with the termination of the legal relationship between Mr Zbigniew Gryglas and the Ministry of State Assets, he made a declaration in respect of the independence criteria on 18 January 2022

On 22 June 2022 the Ordinary General Meeting of the company PGE Polska Grupa Energetyczna S.A. appointed the Supervisory Board of the 12th term of office. Additionally, on 12 July 2022 the Minister of State Assets sent the Company a statement appointing Mr Zbigniew Gryglas as member of the Supervisory Board.

As at 31 December 2022 the composition of the Supervisory Board of the 12th term of office was as follows:

| Name and surname | Fulfilled duties |
|-------------------------------------|--|
| Anna Kowalik | Chairperson of the Supervisory Board |
| Artur Składanek | Vice Chairperson of the Supervisory Board – independent member |
| Radosław Winiarski | Secretary of the Supervisory Board |
| Janina Goss | Member of the Supervisory Board – independent member |
| Zbigniew Gryglas¹ | Member of the Supervisory Board – independent member |

| | |
|-------------------------------------|--|
| Tomasz Hapunowicz | Member of the Supervisory Board – independent member |
| Marcin Kowalczyk² | Member of the Supervisory Board |
| Mieczysław Sawaryn | Member of the Supervisory Board – independent member |

¹ On 12 July 2022, the Company received a statement from the Minister of State Assets (representing the State Treasury) on the appointment of Mr Zbigniew Gryglas as member of the Supervisory Board as of 12 July 2022.

² On 9 February 2023, the Company received from Mr Marcin Kowalczyk a statement of resignation from membership in the Supervisory Board of PGE Polska Grupa Energetyczna S.A. as of 9 February 2023.

As at the date of the acceptance of this report, the Supervisory Board functioned in the following composition:

| Name and surname | Fulfilled duties |
|---------------------------|--|
| Anna Kowalik | Chairperson of the Supervisory Board |
| Artur Składanek | Vice Chairperson of the Supervisory Board – independent member |
| Radosław Winiarski | Secretary of the Supervisory Board |
| Janina Goss | Member of the Supervisory Board – independent member |
| Zbigniew Gryglas | Member of the Supervisory Board – independent member |
| Tomasz Hapunowicz | Member of the Supervisory Board – independent member |
| Mieczysław Sawaryn | Member of the Supervisory Board – independent member |

3. Information on the number of meetings held and resolutions adopted by the Supervisory Board.

In 2022 the Supervisory Board held 15 on-site meetings and adopted 197 resolutions.

4. Information on the Supervisory Board members' attendance at meetings and adopted resolutions concerning excused or unexcused absences.

| # | Date of meeting | Number of Board Members present | Number of Board Members absent | Resolutions on excusal of absence |
|-----------|------------------|---------------------------------|--------------------------------|-----------------------------------|
| 1. | 18 January 2022 | 9 | 0 | |
| 2. | 18 January 2022 | 9 | 0 | |
| 3. | 8 February 2022 | 7 | 2 | 484/XI/2022 485/XI/2022 |
| 4. | 22 February 2022 | 9 | 0 | |
| 5. | 22 March 2022 | 9 | 0 | |
| 6. | 10 May 2022 | 9 | 0 | |

| | | | | |
|-----|-------------------|---|---|-------------|
| 7. | 21 June 2022 | 9 | 0 | |
| 8. | 12 July 2022 | 7 | 0 | |
| 9. | 26 July 2022 | 7 | 1 | 18/XII/2022 |
| 10. | 12 September 2022 | 7 | 1 | 40/XII/2022 |
| 11. | 18 October 2022 | 7 | 1 | 44/XII/2022 |
| 12. | 17 November 2022 | 6 | 2 | 73/XII/2022 |
| | 24 November 2022 | 6 | 2 | 74/XII/2022 |
| | | | | 84/XII/2022 |
| | | | | 85/XII/2022 |
| | 28 November 2022 | 7 | 1 | 89/XII/2022 |
| 13. | 22 November 2022 | 8 | 0 | |
| 14. | 13 December 2022 | 8 | 0 | |
| 15. | 18 January 2022 | 8 | 0 | |

5. Important issues dealt with by the Supervisory Board; conducted reviews and clarifying investigations.

During its meetings held in 2022, the Supervisory Board dealt, among others, with the following issues:

within the scope of the Supervisory Board's activities as provided for by the Company Statutes:

- conducted an evaluation of the following:
 - "The standalone financial statements of PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021";
 - "The consolidated financial statements of the Capital Group of PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021";
 - "The Management Board's report on the activities of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021 ended 31 December 2021";
 - "The non-financial information statement of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021";
 - "The report on expenses relating to representation, legal services, marketing services, public relations and social communication services as well as advisory services connected with the management of the company PGE Polska Grupa Energetyczna S.A. for 2021";
- conducted an evaluation of the Management Board's motion to be submitted to the General Meeting and relating to the allocation of net profit for the financial year 2021,
- accepted the document entitled "The Supervisory Board's evaluation of the financial statements as well as the report on the activities of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021";
- accepted the reports of the Supervisory Board of the company PGE Polska Grupa Energetyczna S.A. on the results of the evaluation of the following: "The standalone

- financial statements of the company PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021”, “The consolidated financial statements of the Capital Group of PGE Polska Grupa Energetyczna S.A. for the year ended 31 December 2021”, “The Management Board’s report on the activities of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year ended 31 December 2021”, “The non-financial information statement of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021”,
- approved the annual sponsoring plan of the company PGE Polska Grupa Energetyczna S.A. for 2022;
 - gave its consent to the Company’s entering into a donation agreement with the PGE Foundation;
 - determined the consolidated text of the Company Statutes.

within the scope of the activities of the Management Board of PGE Polska Grupa Energetyczna S.A.:

- recommended that the General Meeting grant discharge to the Members of the Management Board for the performance of their duties in 2021;
- gave the Members of the Management Board consent to hold positions in other companies’ governing bodies and to hold membership in industrial associations;
- carried out one recruitment procedure for the position of Vice President for Support and Development in the Management Board of PGE Polska Grupa Energetyczna S.A.

On 17 November 2022 the Supervisory Board of the company PGE S.A. adopted a resolution on the dismissal of Paweł Cioch - Vice President of the Management Board for Corporate Affairs. Subsequently, the Supervisory Board initiated a recruitment procedure for the position of Vice President of the Management Board for Support and Development.

As a result of the aforementioned recruitment procedure, as of 9 January 2023 the Supervisory Board appointed

- Mr Rafał Włodarski as Vice President of the Management Board for Support and Development.

within the scope of the application of corporate governance:

- accepted “The report on the activities of the Supervisory Board of the company PGE Polska Grupa Energetyczna S.A. in 2021”;
- accepted “The report of the Supervisory Board of the company PGE Polska Grupa Energetyczna S.A. on the evaluation of the Company's position in 2021, including an evaluation of the internal risk management control system, the compliance system, and the internal audit function”;

within the scope of the activities of PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group (hereinafter also “PGE CG”):

- became acquainted with the information of the Management Board on the position of PGE Polska Grupa Energetyczna S.A. (hereinafter also “PGE”, “PGE S.A.” or “Company”) in the capital market;
- became acquainted, on a regular basis, with resolutions adopted by the Management Board;
- became acquainted with the Management Board’s information on current and planned capital expenditure projects;

- became acquainted with the Management Board's information on the structure of employment in the company PGE Polska Grupa Energetyczna S.A.;
- became acquainted with the report on the implementation of the trading strategy;
- became acquainted with the Management Board's information on court disputes having material impact on the functioning of the PGE Capital Group;
- became acquainted, on a regular basis, with the Management Board's information concerning the social dialogue within the PGE Capital Group;
- became acquainted with the report on the status of the distribution system for the year 2021;
- became acquainted with the report on the effectiveness of the sponsoring activities of PGE S.A. and the companies belonging to the PGE Capital Group in 2021;
- became acquainted with the Management Board's information on the activities of the PGE Foundation;
- became acquainted with the Management Board's information on the dates of the publication of periodic reports in 2022 and the restricted periods.

within the scope of the financial activities of the Company and the PGE Capital Group:

- approved the financial plan of the company PGE Polska Grupa Energetyczna S.A. for the year 2022, including the capital expenditures plan of the company PGE Polska Grupa Energetyczna S.A.;
- became acquainted with the Management Board's information on the financial plan of the PGE Capital Group for the year 2022, including the capital expenditures plan of the PGE Capital Group;
- became acquainted, on a regular basis, with the Management Board's information on the economic and financial position of the Company and the PGE Capital Group;
- became acquainted, on a regular basis, with reports concerning the costs of external consulting services in the Company and the PGE Capital Group.

within the scope of the investing activities of the Company and the PGE Capital Group:

- became acquainted with the Management Board's information on the status of the power generation assets for the individual quarters of the year 2022;
- became acquainted with the report on the condition of the power grid of the company PGE Dystrybucja S.A. for the year 2021;
- became acquainted with quarterly information on the preparations of the Offshore Wind Farms capital investment project;
- became acquainted with a report on the implementation of capital expenditure plans in the companies belonging to the PGE Capital Group in the year 2021 and became acquainted, on a regular basis, with reports on the performance of capital expenditure plans in the companies belonging to the PGE Capital Group in the individual quarters of the year 2022;
- became acquainted with reports on the execution of strategic investment projects and the Megainvestment in the PGE CG in the particular quarters of 2022;
- became acquainted with information on projects and activities undertaken in the area of research, development and innovation.

within the scope of the conducted reviews and clarifying investigations:

In the year 2022 the Supervisory Board did not adopt any resolutions concerning reviews or clarifying investigations.

6. Information on the implementation of resolutions of the General Meeting related to the activities of the Supervisory Board – if applicable.

In 2022, 4 General Meetings of the Company were held. Three Extraordinary General Meetings were held on 7 March 2022, 6 April 2022 and 14 December 2022, while the Ordinary General Meeting was held on 22 June 2022.

On 7 March 2022, the Extraordinary General Meeting adopted resolutions concerning, among others, the following matters:

- the General Meeting's granting consent for the manner of voting, as determined by the Management Board of PGE S.A., at the General Meeting of the company PGE Systemy S.A., on the matter of amendments to the Statutes of PGE Systemy S.A.,
- the principles of determining remuneration of Members of the Management Board.

On 6 April 2022, the Extraordinary General Meeting adopted resolutions concerning, among others, the following matters:

- decreasing the share capital by way of reducing the par value of shares and simultaneously increasing the share capital by way of issuing series E shares under the private subscription procedure, depriving the present shareholders entirely of the preemptive right to all series E shares, applying for admission and introduction of series E shares or rights to series E shares to trading on the regulated market of Giełda Papierów Wartościowych w Warszawie S.A. [Warsaw Stock Exchange], dematerialising series E shares or rights to series E shares, as well as amending the Company Statutes,
- changing the location of the Company's registered office from Warsaw to Lublin,
- amending the Company Statutes due to the change of the registered office.

On 22 June 2022, the Ordinary General Meeting adopted resolutions concerning, among others, the following matters:

- approving "The EU-IFRS-compliant standalone financial statements of the company PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021 (in PLN million)",
- approving "The EU-IFRS-compliant consolidated financial statements of the company PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021 (in PLN million)",
- approving "The Management Board's report on the activities of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021 ended 31 December 2021",
- the distribution of the Company's net profit for the financial year 2021,
- approving "The report on the activities of the Supervisory Board of PGE Polska Grupa Energetyczna S.A. in 2021",
- approving "The report of the Supervisory Board of PGE Polska Grupa Energetyczna S.A. on the evaluation of the Company's position in 2021, including an evaluation of the internal risk management control system, the compliance system, and the internal audit function",
- approving "The report on the remuneration of the Members of the Management Board and the Supervisory Board of PGE Polska Grupa Energetyczna S.A.",
- accepting "The remuneration policy for the Members of the Management Board and the Supervisory Board of PGE Polska Grupa Energetyczna S.A.",
- granting the members of the Management Board and the Supervisory Board discharge for the performance of their duties.

On 14 December 2022, the Extraordinary General Meeting adopted only resolutions of a regulatory nature in connection with the failure of Shareholders to submit motions on the subject of adopting resolutions on changes to the composition of the Supervisory Board.

As a consequence of the resolutions adopted by the Extraordinary General Meeting on 6 April 2022, the Supervisory Board adopted the following resolutions:

- 509/XI/2022 of 22 March 2022 on determining the amount of remuneration for members of the Management Board,
- 547/XI/2022 of 21 June 2022 on the determination of the consolidated text of the Statutes of PGE Polska Grupa Energetyczna S.A.
- 20/XII/2022 of 26 July 2022 on the determination of the consolidated text of the Statutes of PGE Polska Grupa Energetyczna S.A.

7. Information on the execution of a strategic or corrective programme.

In 2022 the Company continued activities related to the revision and updating of the Strategy of the PGE Capital Group, adopted by the Supervisory Board in its resolution no. 291/XI/2020 of 19 October 2020.

Furthermore, in 2022 the Company continued activities related to the implementation of the heat generation strategy of the PGE Capital Group for the years 2018-2023 with an outlook to the year 2030, which had been accepted by the Management Board on 13 December 2017 in its resolution no. 556/92/2017 concerning the approval of the heat generation strategy of the PGE Capital Group for the years 2018-2023 with an outlook to the year 2030.

8. Information on the Supervisory Board's suspension of members of the Management Board in their duties or delegation of members of the Supervisory Board to perform the duties of members of the Management Board.

In 2022, the Supervisory Board did not adopt any resolution concerning the suspension of members of the Management Board in their duties or the delegation of members of the Supervisory Board to perform the duties of members of the Management Board.

9. Information on the Supervisory Board's decisions concerning the selection of a certified auditor.

On 15 September 2021 the Supervisory Board adopted resolution no. 420/XI/2021 concerning the selection of the most favourable offer for the audit of the standalone and consolidated financial statements of the company PGE Polska Grupa Energetyczna S.A. for the years 2022-2024 and the acceptance of the recommendation concerning the selection of a contractor responsible for the audit of the standalone financial statements of the selected companies belonging to the Capital Group of PGE Polska Grupa Energetyczna S.A. for the years 2022-2024, which will be presented to the companies belonging to the Capital Group of PGE Polska Grupa Energetyczna S.A.

The Supervisory Board selected the company PKF Consult sp. z o.o. sp.k. (PKF Consult) as auditor responsible for the audit of the standalone financial statements of PGE S.A. and the consolidated financial statements of the PGE Capital Group for the years 2022-2024. PKF Consult was selected in a purchase process, under the procedure of negotiations with publication.

10. An analysis and evaluation of the functioning of the entities belonging to the capital group in relation to an evaluation of the consolidated financial statements of the PGE capital group.

Based on information provided on a regular basis by the Management Board, after a thorough analysis, the Supervisory Board ascertains that the companies belonging to the PGE Capital Group were consistently implementing the strategy updated on 19 October 2020, i.e. the strategy of the PGE Capital Group until 2030, and were carrying out the corporate centre policy.

11. Evaluation of the utilisation of the company's fixed assets, with particular consideration given to real property.

The office building in Warsaw, 2 Mysia Street.

The office building constructed in 1951/56 with a floor area of 22,825.46 m², pursuant to decision 396/96 of 14 June 1996 constituting the Company's separate property, located in Warsaw (00-496) at 2 Mysia Street on a plot of land held under the right of perpetual usufruct, with a surface area of 4,434.00 m², register no. 109/3 and 110/3 plot 5-05-02. For the aforementioned real property, the District Court for Warsaw Mokotów in Warsaw, the 10th Land and Mortgage Register Division, 58 Solidarności Avenue, holds a land and mortgage register no. WA4M/00168674/5.

Lease of office space in the building located at 2 Mysia Street in Warsaw:

At the end of 2022 the area of the leased office space was approximately 2282.04 m².

Major tenants (combined lease area 1,966.02 m² - as at 31.12.2022):

Polskie Sieci Elektroenergetyczne S.A. (621.05 m²).

PGE Systemy S.A. (583.95 m²).

Solivoda Sp. z o.o. (414.47 m²).

PGE Dom Maklerski S.A. (346.55 m²).

Other tenants (combined lease area 316.02 m²): PGE Nowa Energia sp. z o.o. in liquidation; PGE Ventures sp. z o.o.; PTE "Nowy Świat" S.A.; Exatel S.A.; Fundacja PGE; PGE Asekuracja S.A, companies under the business name of PGE Inwest 2 sp.z o.o., PGE Gryfino 2050 sp. z o.o., PGE Inwest 9 sp. z o.o., PGE Inwest 10 sp. z o.o., PGE Inwest 11 sp. z o.o., PGE Inwest 12 sp. z o.o., PGE Inwest 14 sp. z o.o., PGE Inwest 20 sp. z o.o., PGE Inwest 21 sp. z o.o., PGE Inwest 22 sp. z o.o., PGE Inwest 23 sp. z o.o., PGE Inwest 24 sp. z o.o., PGE Inwest 25 sp. z o.o., Towerlink Poland sp. z o.o., ORANGE POLSKA S.A.

Total proceeds from lease in 2022 – PLN 5,165,942.90.

including: major tenants:

Polskie Sieci Elektroenergetyczne S.A. – PLN 2,521,140.26

PGE Systemy S.A. – PLN 753,868.70

Solivoda Sp. z o.o. – PLN 201,591.37

PGE Dom Maklerski S.A. – PLN 499,014.11

The office building in Lublin, 27 Kraśnicka Avenue

Since 1 May 2022 (pursuant to the Agreement of 28 April 2022) PGE S.A. has been leasing business premises with the floor area of 906.09 m² (together with 25 parking spaces) in Lublin, at 27 Kraśnicka Avenue, for the needs of the Company's registered office and the offices of PGE S.A. located in Lublin. The Agreement was entered into for a period of 5 years, until 30 April

2027. The premises started to be used on 8 August 2022 (after the completion of finishing works).

12. An evaluation of the fulfilment of the independence criteria by the Members of the Supervisory Board

On 1 July 2021 the new 2021 edition of "The Good Practices of Companies Listed on the Warsaw Stock Exchange" of 29 March 2021 came into effect. The document had been adopted by the Supervisory Board of the Warsaw Stock Exchange in its resolution no. 13/1834/2021 on 29 March 2021 (hereinafter "The Good Practices of Companies Listed on the Warsaw Stock Exchange") and has been followed by PGE since 1 July 2021. On the basis of principle 2.3. of The Good Practices of Companies Listed on the Warsaw Stock Exchange, the Supervisory Board evaluates whether there occur any relations or circumstances which may have impact on the fulfilment of the independence criteria by a given member of the Supervisory Board. An evaluation of the fulfilment of the independence criteria by the Members of the Supervisory Board is presented by the Supervisory Board pursuant to principle 2.11.1.

The present Members of the PGE Supervisory Board performing their duties in 2022

| Name and surname | Fulfilment of independence criterion |
|---------------------------|---|
| Anna Kowalik | NO |
| Janina Goss | YES |
| Zbigniew Gryglas | YES |
| Tomasz Hapunowicz | YES |
| Mieczysław Sawaryn | YES |
| Artur Składanek | YES |
| Radosław Winiarski | NO |

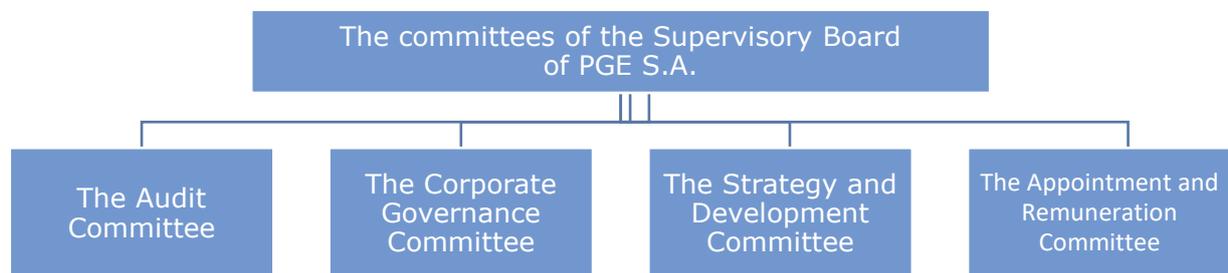
In light of the conducted evaluation, the Supervisory Board ascertains that in 2022 the Company complied with principle 2.3. of The Good Practices of Companies Listed on the Warsaw Stock Exchange, according to which at least two members of a supervisory board are to meet the independence criteria.

13. Committees operating within the Supervisory Board

Pursuant to the wording of the Company Statutes, the Supervisory Board Regulations or a resolution of the General Meeting may provide for the appointment of committees within the structure of the Supervisory Board, in particular an audit committee and a remuneration committee. According to the Supervisory Board Regulations currently in force, the Supervisory Board may appoint permanent or ad hoc committees operating as collective advisory and opinion-making bodies of the Supervisory Board. Committees' objective is in particular providing the Supervisory Board with recommendations and opinions on matters belonging to their respective scopes of operation. Committees are appointed by the Supervisory Board from among its members. A committee consists of from 3 to 5 persons. A committee elects its

Chairperson from among its members. The Chairperson convenes meetings of a committee, manages the activities of a committee and represents it in relation with the Company's governing bodies and employees. The mandate of a committee's member expires simultaneously with the expiry of the mandate of a member of the Supervisory Board, the submission of a notice of resignation from membership in a committee or the dismissal from the composition of a committee by the Supervisory Board. Each member of the Supervisory Board is entitled to participate in meetings of any committee. The Chairperson of a committee may invite to its meetings members of the Management Board, the Company's employees and other people whose participation in meetings is justified. A committee makes decisions by way of consensus, unless the regulations of a given committee provide for otherwise. The document regulating in detail the scope and subject matter of committees' activities is the Regulations of the Supervisory Board of PGE S.A.

Graph: The committees of the Supervisory Board of PGE S.A.



In 2022, the composition of the committees of the Supervisory Board was as follows:

As at 1 January 2022 the permanent committees of the Supervisory Board functioned in the following compositions:

| Forename and surname of Supervisory Board member | The Audit Committee | The Corporate Governance Committee | The Strategy and Development Committee | The Appointment and Remuneration Committee |
|--|---------------------|------------------------------------|--|--|
| Janina Goss | Member | | | Member |
| Zbigniew Gryglas | | Member | Member | |
| Tomasz Hapunowicz | | Chairperson | Member | |
| Marcin Kowalczyk | | | Member | |
| Anna Kowalik | Member | | Member | Member |
| Grzegorz Kuczyński | Chairperson | Member | | |
| Mieczysław Sawaryn | | | Member | Chairperson |
| Artur Składanek | Member | | Chairperson | |
| Radosław Winiarski | Member | | Member | |

On 22 June 2022 the Ordinary General Meeting of the company PGE S.A. appointed the Supervisory Board of the 12th term of office. The first meeting of the Supervisory Board of the new term of office was held on 12 July 2022. On that day, the Committees of the Supervisory Board were appointed in their new compositions.

As at 31 December 2022 the permanent committees of the Supervisory Board functioned in the following compositions:

| Forename and surname of Supervisory Board member | The Audit Committee | The Corporate Governance Committee | The Strategy and Development Committee | The Appointment and Remuneration Committee |
|--|---------------------|------------------------------------|--|--|
| Janina Goss | Member | | | Member |
| Zbigniew Gryglas ¹ | | Member | Member | |
| Tomasz Hapunowicz | | Chairperson | Member | |
| Marcin Kowalczyk ² | | | Member | Member |
| Anna Kowalik | Member | Member | Member | Member |
| Mieczysław Sawaryn | Member | Member | Member | Chairperson |
| Artur Składanek | Chairperson | | Member | |
| Radosław Winiarski | Member | | Chairperson | |

¹ On 26 July 2022 Zbigniew Gryglas was appointed as member of the Strategy and Development Committee and the Corporate Governance Committee.

² On 9 February 2023, the Company received from Mr Marcin Kowalczyk a statement of resignation from membership in the Supervisory Board of PGE S.A. as of 9 February 2023.

The detailed scope of competences of the individual permanent Committees of the PGE Supervisory Board is specified in the Regulations of the Supervisory Board available on the PGE S.A. website.

THE AUDIT COMMITTEE

As at the date of the publication of the statements, the composition of the Audit Committee was as follows:

- Artur Składanek - Chairperson
- Janina Goss - Member
- Anna Kowalik - Member
- Mieczysław Sawaryn - Member
- Radosław Winiarski - Member

The Audit Committee operates on the basis of the Regulations of the Audit Committee of the Supervisory Board of PGE S.A., which meet the requirements of the Certified Auditors, Audit Firms and Public Supervision Act of 11 May 2017 (the Certified Auditors Act). The Company also complies with the following documents adopted by the Audit Committee:

- the policy and procedure for the selection of an audit firm responsible for the audit of financial statements (The Auditor Selection Policy).
- the policy on the provision of permitted non-audit services by an audit firm, its affiliates and members of its network (The Services Provision Policy).

All members of the Audit Committee of the Supervisory Board of the 12th term of office have declared for the record that they meet the requirements set out in the Certified Auditors Act and regarding the Audit Committee.

In 2022, the members of the Audit Committee of the Supervisory Board:

- meeting the statutory independence criteria were: Janina Goss, Grzegorz Kuczynski (until 22 June 2022), Mieczysław Sawaryn and Artur Składanek,

- having knowledge and skills in accounting or auditing, by virtue of their education and experience were: Radosław Winiarski,
- having knowledge and skills in the industry in which the Company operates, by virtue of their education and professional experience were: Anna Kowalik and Artur Składanek.

The curricula vitae of the members of the Audit Committee of the Supervisory Board containing details of their education and professional experience and confirming possession of the aforementioned requirements are available on the website of PGE S.A.

The Audit Committee is primarily responsible for the examination of the correctness and efficiency of the performance of internal audits in the Company and the PGE Capital Group as well as for cooperation with the Company's auditors. In particular, the Audit Committee is tasked with developing principles for the selection of the audit firm to audit the Company's financial statements and with monitoring the Company's financial reporting process.

In 2022, 10 minuted Audit Committee meetings were held, with an attendance rate of 92%. At its meetings, the Audit Committee analysed, among other things, the Company's separate financial statements, the consolidated financial statements of the PGE Capital Group, and the Management Board's report on the activities of the Company and the PGE Capital Group for the year 2021. The Audit Committee held also regular meetings with the representatives of the auditor – the company Deloitte Audyt Spółka z ograniczoną odpowiedzialnością sp.k. – with respect to the year 2021 and with the representatives of the auditor – the company PKF Consult sp. z o.o. sp.k. – with respect to the year 2022.

Furthermore, the Audit Committee analysed the Company's standalone financial statements for the first half of 2022, as well as the consolidated financial statements of the PGE Capital Group for the same period.

In 2022 the Audit Committee approved the compliance programme of PGE Polska Grupa Energetyczna S.A. for the year 2022. The Audit Committee gave a positive opinion on the audit plan of the PGE Capital Group for the year 2022.

The Audit Committee also analysed the following:

- the results of audits carried out in the Company and the PGE CG,
- information on the consolidation of the internal audit area in the PGE CG,
- information on the results and the functioning of the Audit Department in PGE S.A. after the consolidation of the audit area in the PGE CG,
- information on the course of the conducted procedures for the selection of external legal and financial advisers,
- a report on services provided by the Auditor of PGE S.A. and entities related to the Auditor for PGE Capital Group companies for the year 2021,
- information on the adoption of a recommendation for the Supervisory Board on the assessment of transactions entered into by PGE S.A. and its subsidiaries with related parties on an arm's length basis in the ordinary course of business.

THE CORPORATE GOVERNANCE COMMITTEE

As at the date of the publication of the statements, the composition of the Corporate Governance Committee was as follows:

- Tomasz Hapunowicz - Chairperson

- Zbigniew Gryglas - Member
- Anna Kowalik - Member
- Mieczysław Sawaryn - Member

The tasks of the Corporate Governance Committee include, in particular, assessing the implementation of the corporate governance principles in the Company and evaluating the manner in which the Company fulfils its disclosure obligations regarding the application of the corporate governance principles and submitting recommendations or initiatives for changes in this area to the Supervisory Board, providing opinions on internal acts and other documents of the Company with a significant impact on corporate governance and submitted to the Supervisory Board, as well as initiating and developing proposals for changes to the Company's internal acts regarding corporate governance and submitting them to the Supervisory Board.

In 2022, 3 minuted meetings of the Corporate Governance Committee were held, with 100% attendance. The subjects discussed by the Corporate Governance Committee in 2022 were as follows:

- Discussing amendments to the Statutes and recommending the adoption of the unified text of the Statutes of PGE S.A. The amendment to the Statutes resulted from the Extraordinary General Meeting's adoption of resolutions on:
 - decreasing the share capital by PLN 3,178,593,409.30 by lowering the nominal value of each share of the Company from PLN 10.25 to PLN 8.55 and transferring this amount from the decrease of the Company's share capital to the supplementary capital,
 - increasing the share capital by PLN 3,179,291,010.75 to PLN 19,183,746,098.70 through the issue of 373,952,165 series E shares by way of private subscription, exclusive of the preemptive right,
- Discussing amendments to the Statutes and recommending the adoption of the unified text of the Statutes of PGE S.A. The amendments to the Company Statutes were related to the change of the Company's registered office, including changes ensuring the possibility of holding General Meetings either in the Company's registered office or in the location of the company operating the regulated market on which the Company's shares are listed.
- Discussing changes to the Regulations of the Supervisory Board of PGE S.A. adapting the Regulations to the Good Practices of Companies Listed on the WSE of 2021 and the new provisions of the Commercial Companies Code.

THE STRATEGY AND DEVELOPMENT COMMITTEE

As at the date of the publication of the statements, the composition of the Strategy and Development Committee was as follows:

- Radosław Winiarski - Chairperson
- Zbigniew Gryglas - Member
- Tomasz Hapunowicz - Member
- Anna Kowalik - Member
- Mieczysław Sawaryn - Member
- Artur Składanek - Member

The Strategy and Development Committee is responsible for providing opinions and presenting recommendations to the Supervisory Board with respect to formulating the strategy and planning the development of the Company and the PGE Capital Group. In particular, the duties of the Strategy and Development Committee include the provision of opinions on strategies

and strategic plans, as well as investment projects having significant impact on the Company's assets and submitted to the Supervisory Board by the Management Board.

In 2022, 3 minuted meetings of the Strategy and Development Committee were held, with 100% attendance. The subjects discussed by the Strategy and Development Committee in 2022 were as follows:

- Reports on the Offshore Wind Farm Construction Programme,
- Information from the Management Board of PGE S.A. on key projects and activities currently carried out in the area of research, development and innovation in the PGE Capital Group and on activities carried out as part of the Electricity Storage Programme in the PGE Capital Group,
- Information on implemented projects in the area of research, development and innovation,
- Information from the Company's Management Board on the status of the LTE 450 Programme and the status of the NCB Programme.

THE APPOINTMENT AND REMUNERATION COMMITTEE

As at the date of the publication of the statements, the composition of the Appointment and Remuneration Committee was as follows:

- Mieczysław Sawaryn - Chairperson
- Janina Goss - Member
- Anna Kowalik - Member

The Appointment and Remuneration Committee is responsible for supporting the process of achieving the Company's strategic objectives by presenting to the Supervisory Board opinions and proposals concerning the shaping of the management structure, including organisational solutions, the remuneration system and the recruitment of the personnel possessing required qualifications. The Appointment and Remuneration Committee is responsible in particular for the following:

- initiating and providing opinions on solutions concerning the system of appointing members of the Management Board,
- providing opinions on the Management Board's proposed solutions concerning the Company's management system aimed at ensuring the effectiveness, coherence and security of the Company's system of management, as well as their compliance with the applicable legal and internal regulations;
- periodically reviewing and recommending principles for determining the incentive remuneration of Members of the Management Board and senior executives, in line with the Company's interests,
- periodically reviewing the system of remuneration of Members of the Management Board and executives reporting directly to Members of the Management Board, including management contracts and incentive systems, and submitting to the Supervisory Board proposals for determining them in the context of achieving the Company's strategic objectives,
- presenting to the Supervisory Board opinions concerning justifications for granting remunerations dependent on results within the context of evaluating progress in the performance of the Company particular tasks and achievements;
- evaluating the Company's human resources management system.

In 2020, the Appointment and Remuneration Committee held 4 meetings, with one absence of a Member of the Committee.

The subjects discussed by the Appointment and Remuneration Committee in 2022 were as follows:

- Discussing the proposed managerial objectives for the Management Board of PGE S.A. for 2022,
- Discussing the reports on the achievement of the managerial objectives for 2021 by the Management Board of PGE S.A. 2021.

The Supervisory Board requests that the General Meeting grant discharge to the following Members of the Management Board for the performance of their duties in the year 2022:

| Forename and surname of Management Board member | Period of 2022 covered by discharge |
|---|---|
| Wojciech Dąbrowski | from 1 January 2022 to 31 December 2022 |
| Wanda Buk | from 1 January 2022 to 31 December 2022 |
| Paweł Cioch | from 1 January 2022 to 17 November 2022 |
| Lechosław Rojewski | from 1 January 2022 to 31 December 2022 |
| Paweł Śliwa | from 1 January 2022 to 31 December 2022 |
| Ryszard Wasilek | from 1 January 2022 to 31 December 2022 |

14. A self-evaluation of the Supervisory Board's work.

This report presents the main directions of the Supervisory Board's activities in the financial year 2022. The members of the Supervisory Board performed their duties with due diligence, using their knowledge and experience in the area of managing and supervision of commercial law companies.

The members of the Supervisory Board had properly diversified competencies and high qualifications allowing them to exercise effective supervision over the Company, taking into consideration its business profile and scale of operations. Most of the members of the Supervisory Board were people with higher legal education (legal counsels and attorneys); some of them were people with economic or technical education, familiar with the power generation sector. It should be emphasised that the composition of the Supervisory Board was diversified also with respect to gender. In the opinion of the Supervisory Board, the process of communication between the Supervisory Board and the Management Board was undisturbed. The members of the Management Board participated in the meetings of the Supervisory Board, presented the Management Board's motions addressed to the Supervisory Board, provided answers to questions asked by the members of the Supervisory Board and implemented the recommendations of the Supervisory Board.

The number of the meetings held by the Supervisory Board in 2022, the large attendance at the meetings, the number and variety of matters discussed and decisions made by the Supervisory Board at the meetings prove that the Supervisory Board exercised effective and continuous supervision over the Company's operations in all areas of its business activities.

In view of the above, submitting this report, the Supervisory Board requests that its members be granted discharge for the performance of their duties in the financial year 2022:

| Forename and surname of Supervisory Board member | Period of 2022 covered by discharge |
|--|-------------------------------------|
|--|-------------------------------------|



| | |
|--------------------|--|
| Anna Kowalik | from 1 January 2022 to 31 December 2022 |
| Artur Składanek | from 1 January 2022 to 31 December 2022 |
| Grzegorz Kuczyński | from 1 January 2022 to 22 June 2022 |
| Janina Goss | from 1 January 2022 to 31 December 2022 |
| Zbigniew Gryglas | from 1 January 2022 to 22 June 2022 from 12 July 2022 to 31 December 2022 |
| Marcin Kowalczyk | from 1 January 2022 to 31 December 2022 |
| Tomasz Hapunowicz | from 1 January 2022 to 31 December 2022 |
| Mieczysław Sawaryn | from 1 January 2022 to 31 December 2022 |
| Radosław Winiarski | from 1 January 2022 to 31 December 2022 |

Chairperson of the Supervisory Board
of the company PGE Polska Grupa Energetyczna S.A.

Anna Kowalik

Members of the Supervisory Board:

Janina Goss

Zbigniew Gryglas

Tomasz Hapunowicz

Mieczysław Sawaryn

Artur Składanek

Radosław Winiarski