

## CURRENT REPORT FILED WITH THE POLISH FINANCIAL SUPERVISION AUTHORITY IN WARSAW

DATE: August 5th 2022

Subject: Contract signed between Company's subsidiary and Nowe Jaworzno Grupa TAURON Sp. z o.o. (Current Report No. 61/2022)

### Text of the report:

The Management Board of the Company announces that on August 5th 2022 the Company's wholly-owned subsidiary E003B7 sp. z o.o. (the "**Subsidiary**") and Nowe Jaworzno Grupa TAURON sp. z o.o. ("**NJGT**") entered into a contract (the "**Contract**") for the provision by the Subsidiary to NJGT of operational and coordination work with respect to the unit (the "**Unit**") built under Contract No. 2013/0928/Ri for the 'Development of new coal-fired generation capacities at TAURON Wytwarzanie S.A. – Construction of supercritical 910 MW generating unit at the Jaworzno III Power Plant – Power Plant II: Steam boiler, turbine generator set, main building, electrical and I&C systems' between the Company and Mostostal Warszawa S.A. as the contractor and NJGT as the employer.

The key provisions of the Contract are as follows:

1. To contract the Subsidiary to provide the following work to NJGT in the period from July 1st 2022 to September 30th 2022 in order to ensure the safe and proper operation of the Unit:
  - i. operational work understood as activities needed to operate the equipment, installations and other process systems of the Unit, as well as the activities referred to in Section 2.3(a) of the Regulation of the Minister of Energy of August 28th 2019 on health and safety at work relating to power engineering equipment ("**Operational Work**");
  - ii. coordination work understood as work designed to coordinate the activities of entities working on the Unit to ensure the proper operation of the Unit ("**Coordination Work**");
 (the Operational Work and the Coordination Work are hereinafter collectively referred to as the "**Operational and Coordination Work**");
2. To acknowledge that the Operational and Coordination Work covers the following systems/components of the Unit: (i) the boiler house; (ii) the turbine room; (iii) the electrostatic precipitator, excluding the ash removal system; (iv) the flue gas desulfurisation system; (v) the cooling tower; (vi) the cooling water pumping station, and (vii) the electrical and I&C systems, excluding NJGT's obligations/responsibilities specified in the Contract;
3. To acknowledge that the Contract does not change NJGT's status as the electricity generator from the Unit and the entity entitled to derive revenue from the operation of the Unit;
4. To set the Subsidiary's remuneration for the performance of the Operational and Coordination Work in the period from July 1st 2022 to September 30th 2022 at an aggregate amount of PLN 7,499,000.000 (seven million four hundred and ninety-nine thousand zloty 00/100) VAT-exclusive;
5. To reserve the right to charge contractual penalties customarily applied in agreements similar to the Contract, including a contractual penalty equal to 15% of the Subsidiary's total remuneration (VAT-exclusive) under the Contract, payable by the Subsidiary in the event of rescission or termination of the Contract by either Party for reasons

attributable to the Subsidiary or in the event of rescission or termination of the Contract by the Subsidiary without valid reason;

6. To cap the Parties' liability under the Contract regardless of the legal basis of the claim (including contractual penalties and damages) at 50% of the Subsidiary's total remuneration (VAT-exclusive) under the Contract;
7. To reserve the Parties' right to terminate the Contract at two weeks' notice with effect at the end of a calendar month;
8. To grant NJGT the right to suspend, for valid reasons, in whole or in part, the performance of the Contract for a specified period of time of not more than fourteen (14) calendar days;
9. To confirm by the Parties that as of the date of the Contract no circumstances exist related to COVID-19 or the war in Ukraine that would prevent or hinder the proper performance of the Contract.

The other provisions of the Contract do not differ substantially from the market conditions applied in agreements similar to the Contract. As stated therein, the Contract entered into force upon signing, with effect from July 1st 2022.

In the Contract, the Parties expressed their intent that the Contract would ultimately continue indefinitely, however, as at the date of this Current Report, as mentioned above, the order awarded to the Subsidiary covers the period from July 1st 2022 to September 30th 2022.

Furthermore, the Management Board of the Company would like to clarify that the Contract has been concluded under the single-source procurement procedure pursuant to Art. 214.1 of the Public Procurement Law of September 11th 2019.

Legal basis:

Article 17(1) of the Market Abuse Regulation – inside information.

Radosław Domagalski-Łabędzki – President of the Management Board

Maciej Stańczuk, Vice President of the Management Board