

# DRAFT

**RESOLUTION  
OF THE EXTRAORDINARY GENERAL MEETING  
OF GRUPA AZOTY S.A. OF TARNÓW  
HELD ON NOVEMBER 8TH 2019  
APPROVAL OF ACQUISITION OF SHARES IN THE INCREASED SHARE CAPITAL OF GRUPA  
AZOTY ZAKŁADY CHEMICZNE POLICE S.A.**

Pursuant to Art. 50.12 in conjunction with Art. 51 of the Company's Articles of Association, the General Meeting of Grupa Azoty S.A. (the "**Company**"), having considered the opinion of the Company's Supervisory Board contained in Resolution No.... of... on the "APPROVAL TO SUBSCRIBE FOR SHARES IN THE INCREASED SHARE CAPITAL OF GRUPA AZOTY ZAKŁADY CHEMICZNE POLICE S.A." and the request of the Company's Management Board to grant approval to subscribe for shares in the increased share capital of Grupa Azoty Zakłady Chemiczne Police S.A. ("**GA Police**"), in connection with the proposed issue of Series C bearer shares provided for in Resolution No. 4 of the Extraordinary General Meeting of GA Police of September 23rd 2019 to increase the company's share capital by way of a rights issue, conduct a public offering of new shares, set November 7th 2019 as the record date for pre-emptive rights in respect of the new shares, convert into book-entry form and seek the admission and introduction of the pre-emptive rights, allotment certificates and new shares to trading on the regulated market operated by the Warsaw Stock Exchange, and amend the company's Articles of Association (the "**Planned Issue**"), the Extraordinary General Meeting of the Company resolves as follows:

## **Section 1**

The General Meeting hereby grants its approval for the Company to subscribe for Planned Issue shares at the issue price determined by the GA Police Management Board, in a rights issue within the meaning of Art. 431.2.2 of the Commercial Companies Code, effected through a public offering within the meaning of Art.3.1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, to the extent required for Grupa Azoty S.A. to retain operational control and ownership of Grupa Azoty Zakłady Chemiczne Police S.A., with the proviso that upon registration by the court of the increase in GA Police's share capital in connection with the Planned Issue, Grupa Azoty S.A.'s equity interest in Grupa Azoty Zakłady Chemiczne Police S.A. should not exceed 66%.

## **Section 2**

The General Meeting hereby authorises the Company's Management Board to take any formal and legal steps necessary to commence the subscription for shares under the Planned Issue, including to determine the final number and value of shares to be subscribed for under the Planned Issue and, possibly, to purchase or sell pre-emptive rights or GA Police shares issued under the Planned Issue, with the proviso that approval from the Company's Supervisory Board shall be required for each such transaction if its value exceeds PLN 6,000,000 (six million złoty).

## **Section 3**

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The Supervisory Board shall approve by way of a resolution the final terms and conditions of the formal and legal steps specified in Section 2 above if the value of a transaction exceeds PLN 6,000,000 (six million złoty).

### Section 4

This Resolution shall become effective as of its date.

The votes cast in an open ballot were as follows:

For:.....

Against: .....

Abstentions: .....

### GROUNDS

Art. 50 of the Company's Articles of Association, which reads as follows: *"In particular, the powers of the General Meeting shall include:(...) 12) acquisition of or subscription for shares in another company where the value of such shares exceeds:*

*a) PLN 100,000,000; or*

*5% of total assets".*

Adoption of a resolution to approve the acquisition of shares in another company by the General Meeting is fully justified.

Proceeds raised from the issue of New Shares by GA Police will be used to support the implementation of the Grupa Azoty Group's strategy for the coming years, particularly to diversify revenue streams and increase profitability, and to step up the efforts to expand the non-fertiliser business lines. The key task undertaken in the pursuit of these strategic goals is the Polimery Police project implemented by Grupa Azoty Polyolefins S.A.

Grupa Azoty S.A.'s participation in the share capital increase at GA Police will allow the Company to retain operational and ownership control of GA Police.

By reducing its equity interest in GA Police to 66%, the Company will avoid having to comply with the obligation to announce a tender offer for 100% of GA Police shares.