The file contains:

1. Draft resolution of the Annual General Meeting
2. Resolution of the Company’s Supervisory Board
3. Resolution of the Company’s Management Board
4. The Management Board’s proposal for the General Meeting on the allocation of Grupa Azoty S.A.’s net profit for the financial year 2019
RESOLUTION NO. _____
OF THE ANNUAL GENERAL MEETING
OF GRUPA AZOTY S.A. OF TARNÓW
HELD ON JUNE 29TH 2020
ON THE ALLOCATION OF GRUPA OF AZOTY S.A.’S NET PROFIT FOR THE FINANCIAL YEAR
2019

Acting pursuant to Art. 395.2.2 of the Commercial Companies Code, and Art. 50.3 and
50.25 in conjunction with Art. 32.1.8 in conjunction with Art. 32.1.7 of the Articles of
Association of Grupa Azoty S.A. (the “Company”), having reviewed the Supervisory Board’s
assessment of the Management Board’s proposal on the allocation of net profit, the Annual
General Meeting of the Company

resolves as follows:

§ 1.

The Company’s net profit for the financial year 2019 of PLN 58,249,388.32 (fifty-eight
million, two hundred and forty nine thousand, three hundred and eighty-eight złoty,
32/100), shall be allocated in full to the Company’s statutory reserve funds.

§ 2.

This Resolution shall become effective upon its adoption.

The votes cast in an open ballot were as follows:
For:..............................................
Against: ..........................................
Abstentions: .....................................

GROUNDs

• Pursuant to Art. 395.2.2 of the Commercial Companies Code, the agenda of the
annual general meeting should include a resolution on the allocation of profit or
coverage of loss. The separate financial statements of Grupa Azoty S.A. for the 12
months ended December 31st 2019 showed a net profit of PLN 58,249,388.32 (fifty-eight
million, two hundred and forty nine thousand, three hundred and eighty-eight złoty,
32/100). The auditor audited and issued an unqualified opinion on the
financial statements on April 7th 2020.
- DRAFT -

- By Resolution No. 697/XI/2019 of May 27th 2019, the Company's Management Board proposed that the net profit for the financial year 2019 be allocated in full to the Company's statutory reserve funds.

on the assessment of the Management Board’s proposal to allocate the net profit of Grupa Azoty S.A. for the financial year 2019

Acting pursuant to Art. 382.3 in conjunction with Art. 395.2.2 of the Commercial Companies Code, and Art. 32.1.7 and Art. 51 in conjunction with Art. 50.3 and Art. 57.1 of the Articles of Association of Grupa Azoty S.A. (the “Company”), and in connection with the Management Board’s Resolution No. 697/XI/2020 on the allocation of the net profit of Grupa Azoty S.A for the financial year 2019 of May 27th 2020, the Company’s Supervisory Board

resolves as follows:

§ 1

The Supervisory Board gives a positive assessment and opinion on the Management Board’s proposal for the Company’s General Meeting that the net profit for the financial year 2019 of PLN 58,249,388.32 (fifty-eight million, two hundred and forty-nine thousand, three hundred and eighty-eight złoty, 32/100) be allocated in full to the Company’s statutory reserve funds.

§ 2

This Resolution shall become effective as of its date.
RESOLUTION NO. 697/XI/2020
of the Management Board of Grupa Azoty S.A.
dated May 27th 2020

on the allocation of Grupa Azoty S.A.’s net profit for the financial year 2019

Pursuant to Art. 21.1 and 21.2.12 of the Articles of Association of Grupa Azoty S.A. (the “Company”) and Par. 9.2 of the Rules of Procedure for the Management Board in conjunction with Art. 32.1.7 and Art. 51 in conjunction with Art. 50.3 and Art. 57.1 of the Company's Articles of Association, and in conjunction with Art. 382.3 in conjunction with Art. 395.2.2 of the Commercial Companies Code, the Management Board of the Company resolves as follows:

§ 1.
The Management Board proposes that the Company's net profit for the financial year ended December 31st 2019, of PLN 58,249,388.32 (fifty-eight million, two hundred and forty-nine thousand, three hundred and eighty-eight złoty, 32/100) be allocated in full to the Company's statutory reserve funds.

§ 2.
In connection with the contents of Section 1 above, the Management Board shall submit the following proposals:

a) to the Supervisory Board - for the assessment of the Management Board's proposal on the allocation of net profit for the financial year ended December 31st 2019, and for an opinion, in accordance with Art. 32.1.7 and Art. 51 of the Company's Articles of Association,

b) to the Annual General Meeting - for the allocation of net profit for the financial year ended December 31st 2019, in accordance with Art. 50.3 in conjunction with Art. 57.1 of the Company's Articles of Association.

§ 3.
The Company's Management Board authorises Mr Wojciech Wardacki, President of the Management Board, to submit the proposal on the allocation of net profit for the financial year ended December 31st 2019 to the Supervisory Board for its assessment and opinion referred to in Art. 32.1.7 and Art. 51 of the Company's Articles of Association, and to submit a proposal to the Annual General Meeting for resolving on the allocation of profit, and to present to the Annual General Meeting the Supervisory Board's report on the assessment of the abovementioned Management Board's proposal on the allocation of net profit for the financial year ended December 31st 2019.
§ 4.
This Resolution shall become effective as of its date.
Management Board  
Grupa Azoty S.A.

General Meeting  
Grupa Azoty S.A.

Proposal  
on the allocation of Grupa Azoty S.A.’s net profit for the financial year 2019

In connection with the preparation and audit of the separate financial statements of Grupa Azoty S.A. (the “Company”) for the 12 months ended December 31st 2019, as well as the Management Board’s recommendation on the allocation of the Company’s net profit for the financial year 2019 to the Company’s statutory reserve funds, and a positive assessment of the recommendation by the Supervisory Board, the Management Board, in connection with Art. 50.3 in conjunction with Art. 57.1 of the Company’s Articles of Association, proposes that the General Meeting resolve to allocate the net profit for the financial year 2019 of PLN 58,249,388.32 (fifty-eight million, two hundred and forty-nine thousand, three hundred and eighty-eight złoty, 32/100) to the Company’s statutory reserve funds.

Together with this proposal, the Management Board submits the opinion of the Company’s Supervisory Board, in accordance with Art. 51 of the Company’s Articles of Association.

Grounds

Retention of the profit by the Company will secure implementation of the planned investment projects, in particular ensuring financing of the Company’s contribution to the Polimery Police project.

It should also be noted that the distribution of dividends is restricted under the Company’s credit facility agreements.

The credit facility agreements provide that dividend may be paid if the ratio of consolidated net financial debt to consolidated EBITDA of the Grupa Azoty Group (the “Group”), determined in accordance with the credit facility agreements, is no higher than 2.5 as at December 31st of a financial year (actual level based on the audited consolidated financial statements) and as at June 30th and December 31st of the next year (levels determined taking into account the consolidated budget).

If the General Meeting intends to pass a resolution to distribute dividend for 2019, the Management Board is required to provide the Company’s relevant governing bodies with information on the potential effects of passing such resolution contrary to the Management Board’s recommendations. As dividend distribution for 2019 would result in a default under the Company’s credit facility agreements, in order to avoid a material risk such distribution would only be possible with prior consent of the financing institutions.
In view of the foregoing, the Management Board requests that the General Meeting consider this proposal and resolve to allocate the Company’s net profit for the financial year ended December 31st 2019 in accordance with the Management Board’s recommendation.

The Management Board also submits, attached to this proposal, a draft resolution of the General Meeting on the allocation of the Company’s net profit for the financial year 2019, ended December 31st 2019.

For the Company’s Management Board

Paweł Łapiński
2020.05.22 10:39:04
+02’00’

..........................

(signature of the Management Board member responsible for the matter)

Adopted at the Management Board meeting held on May 27th 2020

Piotr. Kolodziej
Signed with an electronic signature by Piotr. Kolodziej
Date: 2020.05.22 08:50:54
+02’00’