The General Meeting of
Grupa Azoty S.A.

Tarnów, January 21st 2020


Legal basis: Article 50.11 and Article 51 of the Articles of Association of Grupa Azoty S.A.

In connection with the need to provide a long-term intra-group loan in excess of PLN 100m under the Intra-Group Financing Agreement of April 23rd 2015 (as amended) (the „Agreement“), the Management Board of Grupa Azoty S.A. (the “Company”) hereby requests the General Meeting to pass a resolution consenting to the provision by Grupa Azoty S.A. to Grupa Azoty Zakłady Chemiczne Police S.A., Grupa Azoty Zakłady Azotowe Pulawy S.A., and Grupa Azoty Zakłady Azotowe Kędzierzyn S.A. of long-term cash loans in excess of PLN 100m each to finance investment projects.

At the same time, the Management Board requests the General Meeting’s authorisation to take all formal and legal steps leading to the provision of loans referred to above to GA Polyolefins, subject to the Supervisory Board’s consent to the execution of a loan agreement whenever the loan amount is to exceed PLN 6,000,000.

As Grupa Azoty S.A. intends to allocate more than PLN 100m to the loans, pursuant to Article 50.11 of the Company’s Articles of Association it is necessary to request the General Meeting’s consent to their provision.

GROUNDS

In connection with (i) the implementation of a centralised financing model at the Grupa Azoty Group (the „Group“), whereby the Group entity designated to incur liabilities under borrowings for the Group is Grupa Azoty S.A., which then may, through cash-pooling and intra-group loans, transfer borrowed funds to its subsidiaries, (ii) the planned provision of an approximately PLN 300m intra-group loan to Grupa Azoty Zakłady Chemiczne Police S.A. to secure partial financing of the Polimery Police project, and (iii) the likelihood of Grupa Azoty S.A.’s key subsidiaries developing other long-term borrowing needs, consent is required from the General Meeting to the provision by Grupa Azoty S.A. of long-term loans in excess of PLN 100m each to the companies being party to the Agreement, i.e.:
- Grupa Azoty Zakłady Chemiczne Police S.A.,
- Grupa Azoty Zakłady Azotowe Kędzierzyn S.A.,
- Grupa Azoty Zakłady Azotowe Pulawy S.A.

Such financing is provided for by the Agreement and ensures the highest degree of flexibility and optimisation of the Group’s financing costs. Under the Agreement, a loan can be provided only if relevant requirements of the Agreement are satisfied, in particular the requirement to comply with the financial covenants defined in credit facility agreements entered into by Grupa Azoty S.A., and is granted on the financing terms of and within the borrowing limits available under such agreements.

In exchange for the financing limits provided to them by the Company, its key subsidiaries have provided guarantees and sureties to financial institutions for liabilities incurred by Grupa Azoty S.A. under the credit facility agreements.

Respectfully,

CC:
1. Addressee
2. Copy for the file
Grupa Azoty S.A.

District Court for Kraków-Śródmieście
12th Commercial Division
National Court Register (KRS) No.: 0000075450, Industry Identification Number (REGON): 850002268
Tax Identification Number (NIP): PL873-000-68-29
BDO registration number: 000012833
Share capital (fully paid up): PLN 495,977,420

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RESOLUTION
OF THE EXTRAORDINARY GENERAL MEETING
OF GRUPA AZOTY S.A.

DATED 2020 TO GRANT CONSENT TO THE PROVISION BY GRUPA AZOTY S.A. TO ITS
SUBSIDIARIES GRUPA AZOTY ZAKŁADY CHEMICZNE POLICE S.A., GRUPA AZOTY ZAKŁADY
AZOTOWE KĘDZIERZYN S.A., AND GRUPA AZOTY ZAKŁADY AZOTOWE PUŁAWY S.A. OF
LONG-TERM LOANS IN EXCESS OF PLN 100M EACH

Acting under Article 50.11 of the Articles of Association of Grupa Azoty S.A. (the
“Company”), the Extraordinary General Meeting of the Company

resolves as follows:

Having considered the opinion of the Company’s Supervisory Board contained in Resolution
No. ... of .......... and the Management Board’s request of ................. to consent to the
provision by the Company to its subsidiaries Grupa Azoty Zakłady Chemiczne Police S.A.,
Grupa Azoty Zakłady Azotowe Kędzierzyn S.A., and Grupa Azoty Zakłady Azotowe Puławy
S.A. of long-term loans in excess of PLN 100,000,000 each under the Intragroup Financing
Agreement of April 23rd 2015 (as amended) (the “Agreement”), the Extraordinary General
Meeting hereby resolves as follows:

Section 1

The Company’s General Meeting hereby consents to the provision by the Company to its
subsidiaries Grupa Azoty Zakłady Chemiczne Police S.A., Grupa Azoty Zakłady Azotowe
Kędzierzyn S.A., and Grupa Azoty Zakłady Azotowe Puławy S.A. of long-term loans in excess
of PLN 100,000,000 each under the Agreement.

Section 2

The Company’s General Meeting hereby authorises the Company’s Management Board to
take all formal and legal steps necessary for the provision by the Company to its subsidiaries
Grupa Azoty Zakłady Chemiczne Police S.A., Grupa Azoty Zakłady Azotowe Kędzierzyn S.A.,
and Grupa Azoty Zakłady Azotowe Puławy S.A. of long-term loans in excess of PLN
100,000,000 each under the Agreement, subject to the Supervisory Board’s consent to the
execution of a loan agreement whenever the loan amount is to exceed PLN 6,000,000.

Section 3

This Resolution shall become effective as of its date.
GROUND:

Article 50.11.a) of the Company’s Articles of Association provides that the General Meeting’s powers include in particular granting consent to “acquisition of real property, right of perpetual usufruct to real property or interest in real property, as well as other non-current assets, with a value exceeding: a) PLN 100,000,000 (...).” In view of the foregoing and the fact that intra-group loans in excess of PLN 100,000,000.00 (one hundred million złoty) each are planned to be advanced to Grupa Azoty Zakłady Chemiczne Police S.A., Grupa Azoty Zakłady Azotowe Kędzierzyn S.A., and Grupa Azoty Zakłady Azotowe Pulawy S.A. to finance their investment activities, it is appropriate that the General Meeting pass a resolution consenting to the provision of such intra-group loans.

The provision of the said loans shall be deemed an implementation of the Intra-Group Financing Agreement of April 23rd 2015 (as amended).

Checked for compliance with formal and legal requirements
Corporate Legal Department
Legal Counsel
Chief Specialist
Magdalena Kajkowska-Gratys
January 21st 2020
Resolution No. 565/XI/2020
of the Management Board of Grupa Azoty S.A.
dated January 21st 2020
to authorise a request to the General Meeting of Grupa Azoty S.A.

Acting pursuant to Article 21.1. and Article 21.2.12 in conjunction with Article 32.1.19, Article 50.11, and Article 51 of the Articles of Association of Grupa Azoty S.A. (the “Company”), the Management Board of the Company resolves as follows:

SECTION 1
To request the General Meeting to:
1) consent to the provision by the Company to its subsidiaries Grupa Azoty Zakłady Chemiczne Police S.A., Grupa Azoty Zakłady Azotowe Kędzierzyn S.A., and Grupa Azoty Zakłady Azotowe Puławy S.A. of long-term loans in excess of PLN 100,000,000 each under the Intra-Group Financing Agreement of April 23rd 2015 (as amended) (the “Agreement”).
2) authorise the Company’s Management Board to take all formal and legal steps necessary for the provision by the Company to its subsidiaries Grupa Azoty Zakłady Chemiczne Police S.A., Grupa Azoty Zakłady Azotowe Kędzierzyn S.A., and Grupa Azoty Zakłady Azotowe Puławy S.A. of long-term loans in excess of PLN 100,000,000 each under the Agreement, subject to the Supervisory Board’s consent to the execution of a loan agreement whenever the loan amount is to exceed PLN 6,000,000.

SECTION 2
To authorise Dr. Wojciech Wardacki, President of the Management Board, to request the Supervisory Board to provide its opinion on the Request referred to in Section 1 above.

SECTION 3
This Resolution shall become effective as of its date.