

## **The General Meeting of Grupa Azoty S.A.**

Tarnów, January 21st 2020

**Re: Consent to the provision to Grupa Azoty Polyolefins S.A. (“GA Polyolefins”) of long-term loans subordinated to Grupa Azoty Polyolefins S.A.’s planned senior debt financing**

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

Having determined the method of making the intended cash contribution for the implementation of the Polimery Police strategic capital project (the “Project”), the Management Board of Grupa Azoty Zakłady Chemiczne Police S.A. (the “Company”) hereby requests the General Meeting to pass a resolution consenting to:

a) the provision to GA Polyolefins of long-term cash loans subordinated to GA Polyolefins’ planned senior debt financing, up to a total amount of PLN 350m, to partly fund the Company’s equity contribution under the Project;

b) the provision to GA Polyolefins of long-term cash loans subordinated to GA Polyolefins’ planned senior debt financing, up to an amount equivalent to EUR 105m, which may be advanced in the future to perform the obligations under the Project completion, cost overrun, OPEX and debt service guarantees required with respect to GA Polyolefins by its creditors under the senior debt financing.

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 Art. 50.11 of the Company’s Articles of Association it will be necessary to request the General Meeting’s consent to their provision.

### **FOUNDATIONS**

In order to fund the Company’s financial contribution under the Project, the Company and Grupa Azoty Zakłady Chemiczne Police S.A. intend to advance to GA Polyolefins long-term loans subordinated to GA Polyolefins’s planned senior debt financing in the respective amounts of approximately PLN 350m (the Company) and PLN 390m Grupa Azoty Zakłady Chemiczne Police S.A.). The Company and Grupa Azoty Zakłady Chemiczne Police S.A. also intend to provide guarantees required by the creditors under GA Polyolefins’ senior debt financing, namely the Project completion, cost overrun, OPEX and debt service guarantees in respect of GA Polyolefins. If the relevant triggers occur, the guarantees are to be performed through the provision by the Company and Grupa Azoty Zakłady Chemiczne Police S.A. of additional long-term subordinated loans up to an amount equivalent to EUR 105m.

Respectfully,

CC:

1. Addressee
2. Copy for the file

Grupa Azoty S.A.

ul. Kwiatkowskiego 8  
33-101 Tarnów, Poland  
Phone: +48 14 633 07 81-85  
Fax: +48 14 637 07 18

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

[www.grupaazoty.com](http://www.grupaazoty.com)

**RESOLUTION  
OF THE EXTRAORDINARY GENERAL MEETING  
OF GRUPA AZOTY S.A.  
DATED.....2020  
TO GRANT CONSENT TO THE PROVISION TO GRUPA AZOTY POLYOLEFINS S.A. OF LONG-  
TERM LOANS SUBORDINATED TO ITS PLANNED SENIOR DEBT FINANCING**

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 given in its Resolution No. .... of..... and the Management Board’s request of ..... to consent to the provision to Grupa Azoty Polyolefins S.A. (“GA Polyolefins”), the SPV established to implement the Polimery Police project (the “Project”), of long-term loans subordinated to GA Polyolefins’ planned senior debt financing, the Extraordinary General Meeting hereby resolves as follows:

**Section 1**

The General Meeting hereby consents to:

- a) the provision to GA Polyolefins of long-term cash loans subordinated to GA Polyolefins’ planned senior debt financing, up to a total amount of PLN 350m, to partly fund the Company’s equity contribution under the Project;
- b) the provision to GA Polyolefins of long-term cash loans subordinated to GA Polyolefins’ planned senior debt financing, up to an amount equivalent to EUR 105m, which may be advanced in the future to perform the obligations under the Project completion, cost overrun, OPEX and debt service guarantees required with respect to GA Polyolefins by its creditors under the senior debt financing.

**Section 2**

The General Meeting hereby authorises the Company’s Management Board to take all formal and legal steps leading to the provision of loans referred to in Section 1 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.

**Section 3**

This Resolution shall become effective as of its date.

**GROUNDS:**

Article 50.11 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 or b) 5% of total assets.” In

view of the foregoing and the fact that the loans advanced to GA Polyolefins will constitute non-current financial assets of the Company with a value exceeding PLN 100,000,000.00, it is appropriate that the General Meeting pass a resolution consenting to the provision of the long-term cash loans to GA Polyolefins.

The loans to be provided to GA Polyolefins are intended to finance the continued implementation of the Polimery Police Project.

Checked for compliance with formal and  
legal requirements  
Corporate Legal Department  
Legal Counsel  
Chief Specialist  
Magdalena Kajkowska-Gratys  
January 21st 2020

- EXCERPT -

**Resolution No. 564/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 50.12, 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 to GA Polyolefins of long-term cash loans subordinated to GA Polyolefins' planned senior debt financing, up to a total amount of PLN 350m, to partly fund the Company's equity contribution under the Polimery Police project;
- 2) consent to the provision to GA Polyolefins of long-term cash loans subordinated to GA Polyolefins' planned senior debt financing, up to an amount equivalent to EUR 105m, which may be advanced in the future to perform the obligations under the Project completion, cost overrun, OPEX and debt service guarantees required with respect to GA Polyolefins by its creditors under the senior debt financing;
- 3) authorise the Management Board to take all formal and legal steps leading to the provision of loans referred to in Section 1.1) and 1.2) 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.

**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.