

## **RULES OF PROCEDURE FOR THE SUPERVISORY BOARD**

**of Grupa Azoty Spółka Akcyjna of Tarnów,**

**(the “Rules”)**

(Adopted by Supervisory Board’s Resolution No. 131/XI/2017 of November 29th 2017. Amended by Supervisory Board’s Resolution No. 199/XI/2021 of September 6th 2021)

Consolidated text of September 6th 2021

(adopted by Supervisory Board’s Resolution No. 199/XI/2021 of September 6th 2021)

### **I.**

#### **GENERAL PROVISIONS**

##### **Section 1**

1. The Supervisory Board is a governing body whose role is to exercise ongoing supervision over the business of Grupa Azoty Spółka Akcyjna (the “Company”) in all areas of its activity, in accordance with the laws and corporate governance standards described below.
2. The Supervisory Board operates pursuant to generally applicable laws, in particular the Commercial Companies Code, the Articles of Association of the Company, the Rules, as well as other regulations.
3. In its activities, the Supervisory Board also seeks to follow the guidelines provided by the Code of Best Practice for WSE Listed Companies.
4. The Supervisory Board shall be composed of five to nine members, appointed by the General Meeting, subject to the provisions of the Company’s Articles of Association.
5. Members of the Supervisory Board shall be appointed for a joint three-year term of office. Appointment for a joint term of office shall mean that the mandates of all members of the Supervisory Board shall expire at the same time, on the day of the Annual General Meeting approving the financial statements for the last full calendar year they were in office. If a new Supervisory Board member is appointed in the course of the Supervisory Board’s term of office, the mandate of that new member shall expire simultaneously with the mandates of the other Supervisory Board members.
6. If any Supervisory Board members are elected by the General Meeting by block voting in the course of a term of office, the mandates of the Supervisory Board members elected in this manner shall expire simultaneously with the mandates of the other Supervisory Board members.
7. The Supervisory Board shall include members appointed by the Company employees pursuant to Art. 14 of the Act on Commercialisation and Certain Employee Rights, dated August 30th 1996. The procedure for appointment and removal of Supervisory Board members elected from among candidates nominated by employees shall be defined in detail in the Rules of Procedure for Election of Employee Nominees, adopted by the Supervisory Board by way of a resolution.
8. At least two members of the Supervisory Board shall be independent members that meet all of the independence criteria set out in Annex II to Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board.

9. The Chairperson of the Supervisory Board shall be appointed by the General Meeting.
10. The Deputy Chairperson and the Secretary shall be elected by the Supervisory Board from among its members, at its first meeting in a new term. If the Supervisory Board does not elect the Deputy Chairperson and Secretary at the first meeting, they shall be elected at the next meeting.
11. The Supervisory Board may at any time remove the Deputy Chairperson or Secretary from office and appoint other Supervisory Board members to these positions. The Supervisory Board shall also elect the Deputy Chairperson or Secretary if its members performing these functions resign or their mandates expire in the course of a term.
12. Supervisory Board members shall exercise their rights and perform their duties personally.
13. Participation in Supervisory Board meetings shall be obligatory for Supervisory Board members. Any absence of a Supervisory Board member from a meeting shall be explained by such member in writing. A Supervisory Board resolution shall be required to authorise a member's absence.

## II.

### POWERS AND RESPONSIBILITIES OF THE SUPERVISORY BOARD

#### Section 2

1. The Supervisory Board shall exercise ongoing supervision of the Company in all areas of its activity.
2. The Supervisory Board shall represent the Company in all contracts, acts in law and disputes which concern any Management Board member or to which any such member is party. When concluding an agreement with a Management Board member, the resolution of the Supervisory Board should cover the Company's act in law in its entirety. The Chairman of the Supervisory Board or another member of the Supervisory Board appointed in the Supervisory Board's resolution may sign documents for the Supervisory Board.
3. The Supervisory Board shall be represented before the court or conciliation court by a process agent appointed by resolution of the Supervisory Board.
4. The Supervisory Board may authorise its Chairperson or Deputy Chairperson to perform any activities related to the employment relationship between the Company and a Management Board member. The Chairperson and Deputy Chairperson of the Supervisory Board shall inform the Supervisory Board at its next meeting about any activities performed by them in the exercise of the authority granted to them by the Supervisory Board. Such activities may not lead to the Company being obligated to provide any performance to Management Board members that is not expressly set forth in the contract to which the Company and the Management Board member are parties.
5. Specific powers of the Supervisory Board are defined in the Company's Articles of Association, the Commercial Companies Code and other generally applicable laws.

## III.

### SUPERVISORY BOARD ACTIVITIES

#### Section 3

1. The Supervisory Board shall carry out its tasks by acting collectively at Supervisory Board meetings. Supervisory Board meetings shall be held at the Company's registered office or in Warsaw. If there is a justified reason, the Chairperson or another person convening

the meeting may choose another location within the Republic of Poland for holding the meeting.

2. The place of adoption of a resolution in the manner specified in Section 17.1 shall be the Company's registered office.

#### **Section 4**

1. Supervision and other activities within the Supervisory Board's remit shall be performed collectively.
2. The Supervisory Board may delegate its member(s) to individually perform certain supervisory activities for a specified period.
3. Any Supervisory Board member so delegated must submit to the Supervisory Board a written report on their activities.
4. If as a result of performance of the supervisory duties entrusted to them the members formulate any conclusions/proposals which require a resolution to be adopted by the Supervisory Board, the Chairperson of the Supervisory Board shall, following a motion by any of the Supervisory Board members, place the relevant issue on the meeting's agenda with a view to adopting a resolution.

#### **Section 5**

1. The Supervisory Board shall appoint the Audit Committee.
2. The tasks of the Audit Committee shall include, in particular, the matters specified in the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017 (the "Act on Statutory Auditors").
3. The Audit Committee shall be composed of no fewer than three Supervisory Board members. The composition of the Audit Committee shall meet the requirements set forth in the Act on Statutory Auditors, and the Chairperson of the Audit Committee should meet the independence criteria specified in that Act.
4. The Audit Committee members should also have the knowledge and skills required in the industry in which the Company operates. This requirement shall be deemed to be met if at least one Audit Committee member has such knowledge and skills, or individual members have the knowledge and skills specific to different aspects of the industry in which the Company operates.
5. The Supervisory Board may also set up other committees, in particular the Nomination and Remuneration Committee and the Strategy and Development Committee.
6. Members of the Audit Committee and of any other committees that may be established, as well as the Chairpersons of such committees, shall be elected by the Supervisory Board from among its members.
7. Members of the Audit Committee and of any other committees that may be established, as well as the Chairpersons of such committees, may be removed from their positions by the Supervisory Board at any time, or their duties may be entrusted to other Supervisory Board members.
8. The detailed rules of operation of the committees, as well as their powers, tasks and responsibilities, shall be laid down in the rules of procedure for the respective committees. The rules of procedure for the respective committees shall be approved by the Supervisory Board.
9. The Supervisory Board may appoint project teams from among its members. In the resolution on appointment of any such project team, the Supervisory Board shall define its tasks and duration.

### **Section 6**

Supervisory Board reports intended for the competent Minister or another Member of the Council of Ministers authorised to exercise the rights attached to the Company shares held by the State Treasury shall be signed by a Supervisory Board member authorised by the Supervisory Board.

### **Section 7**

While on the Supervisory Board, members of the Supervisory Board shall be prohibited from conducting any activities competing with the Company's business.

## **IV.**

### **AUDIT, SUPERVISION AND OPINIONS**

#### **Section 8**

1. The Supervisory Board may at any time request the Company's Management Board and employees to submit reports and explanations, may review accounts and documents, directly check the Company's asset status and inspect any area of the Company's activity.
2. The Supervisory Board may seek opinions from experts employed at the Company and request the Management Board to commission expert analyses and opinions by third parties for the Supervisory Board. The costs of any such opinions and expert analyses shall be covered by the Company.
3. The Supervisory Board may, at the Company's expense, consult experts for a one-off opinion or for permanent cooperation with the Supervisory Board or any of its committees or project teams. The costs of such permanent cooperation shall be covered by the Company.

#### **Section 9**

1. A Supervisory Board member authorised by the Supervisory Board shall have the right to participate in Management Board meetings.
2. If a Supervisory Board member receives an authorisation to attend meetings of the Management Board, the Management Board shall have the obligation to give the Supervisory Board a reasonable notice of its meetings, providing in the notice of a meeting information about the meeting place, time and agenda, so that the designated Supervisory Board member is able to participate in the Management Board meeting.

#### **Section 10**

1. The Supervisory Board shall express its opinion regarding any proposals to be submitted by the Management Board to the General Meeting.
2. The Supervisory Board shall express its opinion in the form of a resolution.

## **V.**

### **PROCEDURE FOR CONVENING SUPERVISORY BOARD MEETINGS**

#### **Section 11**

1. Supervisory Board meetings shall be held as needed, however not less frequently than every two months.

2. Supervisory Board meetings shall be convened by the Chairperson or Deputy Chairperson of the Supervisory Board, who shall present a detailed draft of the meeting agenda.
3. Supervisory Board meetings may also be convened by the Secretary of the Supervisory Board, acting on behalf of the Chairperson or Deputy Chairperson, based on a written authorisation including a detailed agenda of the meeting.
4. A Supervisory Board meeting should also be convened at the request of a Supervisory Board member or the Management Board.
5. In the cases referred to in Article 11.4, the party requesting that a Supervisory Board meeting be convened should provide the proposed agenda, draft resolutions and materials related to the matters placed on the proposed agenda.
6. The meeting should be held within two weeks of receipt of the request.
7. If the Supervisory Board meeting is not convened to be held within the time limit specified in the preceding paragraph, the meeting may be convened by the Supervisory Board member requesting the meeting or by the Management Board, as the case may be.
8. To convene a Supervisory Board meeting, all members of the Supervisory Board must be invited to the meeting at least seven days in advance. Notice of a meeting may be given by courier, fax, email, phone or in any other specified manner, subject to personal confirmation of receipt of the notice in compliance with the time limit specified above.
9. For important reasons, the Chairperson of the Supervisory Board may shorten the notice period to two days, specifying the manner in which notice is to be given.
10. Any materials relating to matters to be dealt with at a Supervisory Board meeting convened in the manner specified in Article 11.8 should be delivered to the Supervisory Board members not later than five days before the meeting. In the case of a Supervisory Board meeting convened in the manner specified in Article 11.9, any materials relating to matters to be dealt at the meeting should be delivered to the Supervisory Board members not later than one day before the meeting.
11. Members of the Supervisory Board are obliged to provide the Company with their contact details, including their mailing address, email address, telephone and fax numbers, to which notices of a Supervisory Board meeting may be sent or given. The data register shall be kept by the Company's organisational unit responsible for providing administrative support to the Supervisory Board. Any change of contact details must be immediately notified by Supervisory Board members. Any notice of a Supervisory Board meeting sent or given to the most recently provided contact details of a Supervisory Board member shall be deemed to have been properly given.

#### **Clause 12**

1. In the notice of a Supervisory Board meeting, the party convening the meeting shall specify the date and time, place and detailed agenda of the meeting.
2. The proposed agenda may be supplemented if all Supervisory Board members attend the meeting and none of them objects to such change.
3. The Supervisory Board may undertake auditing activities even if they were not provided for in the notified agenda.
4. The Supervisory Board may meet and adopt resolutions without a formally convened meeting if all members of the Supervisory Board are present and none of them objects to holding the meeting or placing individual items on the agenda.

#### **VI.**

#### **ORGANIZATION OF THE SUPERVISORY BOARD AND PROCEDURE FOR HOLDING MEETINGS**

**Clause 13**

1. The Chairperson of the Supervisory Board shall direct the work of the Supervisory Board. Any statements addressed to the Supervisory Board shall be given to the Chairperson.
2. If the Chairperson is absent or cannot perform his or her duties for other reasons, those duties shall be performed by the Deputy Chairperson of the Supervisory Board.
3. The Chairperson of the Supervisory Board shall have the right to authorise the Deputy Chairperson to exercise all powers of the Chairperson provided for in the Company's Articles of Association and the Rules of Procedure for the Supervisory Board.
4. In the event that the Chairperson and the Deputy Chairperson are absent from a Supervisory Board meeting or in the event that neither of them is able to conduct a vote held using means of remote communication or by written ballot, the Supervisory Board shall elect one of its members to chair the meeting or to conduct the vote as appropriate. Such person chairing the meeting or conducting a vote shall have the powers of the Chairperson of the Supervisory Board with regard to conducting a meeting or vote.

**Clause 14**

1. Meetings of the Supervisory Board shall be presided over by the Chairperson or, in the absence of the Chairperson, by the Deputy Chairperson.
2. A meeting convened by an authorised member of the Supervisory Board shall be chaired by such member.
3. Meetings shall be held in accordance with the agenda adopted by the Supervisory Board. Items placed on the agenda by an authorised member of the Supervisory Board or by the Management Board requesting the holding of a meeting in the case referred to in Article 11.7 may not be removed from the agenda.
4. Minutes of Supervisory Board meetings shall be taken by an individual proposed by the Chairperson and accepted by the Supervisory Board. The Company shall have the duty to provide administrative support for the Supervisory Board.
5. Minutes of a Supervisory Board meeting should specify or include: the number of the meeting, term of office, date and place of the meeting, a statement to the effect that the meeting has been properly convened, full names of the Supervisory Board members and other persons attending the meeting, the agenda, a summary of the discussion, contents of resolutions, voting methods and results, as well as objections and dissenting opinions, if any.
6. Any reports or other materials discussed at a meeting shall be kept together with the minutes of the meeting at the Company.
7. A draft of the minutes of the meeting shall be delivered to the Supervisory Board members along with the materials for the next meeting.
8. Any of the Supervisory Board members who was present at the previous meeting shall have the right to request corrections in the minutes. The minutes shall be signed by all the Supervisory Board members who attended the meeting. In the event that any member refuses to sign the minutes, the Secretary of the Supervisory Board or another person accepted by the Supervisory Board shall make a note in the minutes about the reasons of the refusal and the objections raised. Any Supervisory Board member who was absent from the meeting shall confirm that they have read the minutes by affixing their signature under the text.
9. Minutes of Supervisory Board meetings or votes shall be kept at the Company's registered office. Any Supervisory Board member may receive a copy of minutes approved by the Supervisory Board. The Management Board or another entity may obtain the minutes or an excerpt from the minutes upon a reasoned request or if the obligation to provide the minutes follows from generally applicable laws.

10. For the purpose of drawing up the minutes, the Supervisory Board meeting may be recorded, provided that none of the Supervisory Board members objects. After the minutes of the meeting are signed, the recording shall be deleted.
11. Meetings of the Supervisory Board may be attended by persons invited by the Chairperson of the Supervisory Board.

#### **Section 15**

1. The Supervisory Board may adopt a resolution to adjourn its meeting, specifying the time and place of its resumption, provided, however, that the adjournment may not be longer than 21 days. If the meeting's agenda includes the adoption of resolutions in which the Supervisory Board presents its position regarding any matters to be referred to the General Meeting, the meeting should be resumed no later than ten days before the date of such General Meeting.
2. The Chairperson, Deputy Chairperson or Secretary of the Supervisory Board shall immediately inform the Supervisory Board members absent from the meeting about its adjournment, the time and place of its resumption and the agenda items remaining to be considered. A note to the effect that the absent Supervisory Board members have been informed about the adjournment shall be made in the minutes.

#### **Section 16**

1. The Supervisory Board may adopt resolutions if at least half of its members are in attendance and all of its members have been invited.
2. It is also possible to participate in Supervisory Board meetings using means of remote communication (remote participation). The person convening a Supervisory Board meeting shall decide whether to allow remote participation therein. If a Supervisory Board member submits a notification of his or her intention to participate in a convened Supervisory Board meeting by means of remote communications, the person who has convened the meeting may deny such option only for important reasons.
3. The Supervisory Board shall adopt resolutions by open vote. A secret ballot shall be called at the request of a Supervisory Board member.
4. Resolutions may be adopted only on matters placed on the agenda, unless all Supervisory Board members are present at the meeting and none of them objects to adopting a resolution on a matter not included in the agenda.
5. Each member of the Supervisory Board has the right to put forward proposals, along with draft resolutions, for voting, subject to Section 16.4.
6. Any resolutions adopted at a meeting shall be signed by all Supervisory Board members who participated in the vote.
7. Supervisory Board resolutions published as an excerpt from the minutes of a Supervisory Board meeting shall be signed by the Chairperson, Deputy Chairperson or Secretary of the Supervisory Board. A note of a dissenting opinion may be made in a resolution at the request of the dissenting party.

#### **Section 17**

1. The Supervisory Board may pass resolutions by written ballot or using means of remote communication. A resolution so passed will only be valid if all Supervisory Board members have been notified of the contents of the draft resolution and at least half of the Supervisory Board members participated in voting on the resolution.
2. (*repealed*)

3. The use of the voting procedures referred to in Section 17.1 may be ordered by the Chairperson on his or her own initiative or at the request of another Supervisory Board member or the Company's Management Board.
4. If the Chairperson of the Supervisory Board does not decide to call a vote based on either of the procedures referred to in Section 17.1, the Supervisory Board may, at the request of any of its members, adopt a resolution (including with the use of one of those procedures) to elect any of its members as the person authorised to conduct such a vote.
5. The Supervisory Board shall adopt resolutions using either of the voting procedures referred to in Section 17.1 if proposed by the Chairperson of the Supervisory Board or the authorised Supervisory Board member referred to in Section 17.4. The Chairperson or the Supervisory Board member authorised to conduct a vote using either of the procedures referred to in Section 17.1 shall determine the manner of conducting the vote and shall notify all the Supervisory Board members of such vote prior to commencement of the procedure.
6. Specifically, voting by means of remote communication may be effected by means of email, fax or telephone.
7. Voting by written ballot shall be effected by way of Supervisory Board members placing their signature under the text of the resolution and indicating how they vote ("for", "against" or "abstain").
8. If a Supervisory Board member does not participate in a vote based on either of the voting procedures referred to in Section 17.1, such member shall be required to give the reasons for his or her failure to vote.
9. Any resolutions adopted based on the voting procedures referred to in Section 17.1 shall be signed by the Chairperson of the Supervisory Board or another authorised member of the Supervisory Board. If a resolution is signed at the meeting, the provisions of Section 16.6 shall apply as appropriate.
10. Resolutions adopted using the voting procedures referred to in Section 17.1 shall be presented at the next Supervisory Board meeting, together with the results of the vote.

### **Section 18**

1. The powers and responsibilities of the Chairperson of the Supervisory Board shall include presiding over the Supervisory Board meetings, and in particular:
  - 1) opening and closing of the meeting,
  - 2) managing discussions,
  - 3) calling a vote and announcing its results,
  - 4) defining the order of voting on proposals put forward in connection with a given agenda item,
  - 5) calling a break,
  - 6) inviting guests to Supervisory Board meetings.
2. The Secretary shall organise the Supervisory Board's work and shall take care of the practical and technical aspects of the Supervisory Board's operations. The Secretary shall be responsible for drawing up minutes of Supervisory Board meetings and drafts of Supervisory Board reports.

### **Section 19**

Supervisory Board members shall be refunded the costs and expenses incurred in connection with their participation in the Supervisory Board's work or the work of any of the Supervisory Board committees or project teams.

### **Section 20**

The Company's Management Board shall provide the administrative and technical support for the Supervisory Board. The Management Board shall thus make available the office space



as well as any equipment, materials and services required for the Supervisory Board to perform its tasks. Upon consultation with the Supervisory Board, the Management Board shall designate persons from among the Company's employees to be directly responsible for the administrative and technical support and documentation of the Supervisory Board's activities. In this respect, the Management Board shall be contacted by the Chairperson and/or Secretary of the Supervisory Board.

#### **Section 21**

Any statements or notices addressed to the Supervisory Board between its meetings shall be made or given to the Chairperson or, if impossible, to the Deputy Chairperson of the Supervisory Board.

### **VII.**

#### **FINAL PROVISIONS**

#### **Section 22**

Resignations by Supervisory Board members shall be submitted in writing.

#### **Section 23**

Any matters not provided for in these Rules of Procedure shall be governed by the Commercial Companies Code and the Company's Articles of Association.

#### **Section 24**

Any amendments to these Rules of Procedure may only be made on the basis of the Supervisory Board's resolution.

#### **Section 25**

These Rules of Procedure shall take effect as of their approval by resolution of the Supervisory Board.