

# Report on the Remuneration of the Management Board and Supervisory Board Members of PGE Polska Grupa Energetyczna S.A.

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for 2024



*Polska Grupa Energetyczna*

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# 1. Introduction

Pursuant to Article 90g(1) of the Act of 29 July 2005 on Public Offering and the Conditions for Introducing Financial Instruments to an Organised Trading System and on Public Companies (the 'Public Offering Act'), the Supervisory Board of PGE Polska Grupa Energetyczna S.A. hereby presents the report on the remuneration of the Members of the Management Board and the Supervisory Board of PGE Polska Grupa Energetyczna S.A. for the year 2024 (the 'Report').

The applicable Remuneration Policy for Members of the Management Board and the Supervisory Board (the 'Policy') at PGE Polska Grupa Energetyczna S.A. (hereinafter also referred to as the 'Company'; 'PGE S.A.') was adopted by Resolution No 9 of the Company's Ordinary General Meeting of 26 June 2020 and amended by Resolution No 11 of the Ordinary General Meeting of 22 June 2022.

As the rules for determining the remuneration of the Members of the Management Board and Supervisory Board are governed not only by the provisions of the Public Offering Act, but also by the provisions of the Act of 9 June 2016 on the Rules for Shaping the Remuneration of Persons Managing Certain Companies (the 'Remuneration Act'):

- the rules for determining the remuneration of the Members of the Management Board were set out in Resolution No 5 of the Extraordinary General Meeting of the Company of 7 March 2022 on the rules for shaping the remuneration of the Members of the Management Board;
- the rules for determining the remuneration of the Members of the Supervisory Board were set out in Resolution No 5 of the Extraordinary General Meeting of the Company of 2 December 2019 amending Resolution No 5 of the Extraordinary General Meeting of 'PGE Polska Grupa Energetyczna Spółka Akcyjna' of 14 December 2016 on the rules for shaping the remuneration of the Members of the Supervisory Board.

The above-mentioned rules for determining the remuneration of the Members of the Management Board and the Supervisory Board were taken into account and upheld in the Policy.

## 1.1 Key Information on the Company's Business Environment

PGE S.A. is the parent company of the PGE Capital Group (hereinafter also: the 'PGE CG'). The operations of the PGE CG are structured across nine Business segments: Renewables, Gas-fired Generation, Conventional Generation, District Heating, Distribution, Railway Energy Services, Supply, Circular Economy, and Other Operations. PGE S.A. conducts operating activity within the Supply segment. The Company's core business is the wholesale trading of electricity on the domestic market, procurement of fuels and related products, including CO<sub>2</sub> emission allowances for generating companies, and the provision of Corporate Centre services to the PGE Group's subsidiaries.

The PGE Capital Group is one of the largest employers in Poland, providing stable employment to around 42,000 people. It is thanks to their experience and commitment that it is possible to build a values-driven organisation where social responsibility is integrated with business objectives. The principal goal of the PGE CG is to achieve climate neutrality by 2050 through a sustainable energy transition. One of the pillars of the PGE Group's Strategy is a well-functioning and efficient organisation, which also means effective human capital management, adapting the employment structure to demographic shifts, and standardising support processes. At the same time, the PGE CG is fully aware of and takes responsibility for the economic and social consequences of these changes. The Group actively participates in the preparation and implementation of transformation plans for coal regions, taking into account and respecting the interests of local communities and authorities, the natural environment, investors, and businesses.

## 1.2 Changes in the Composition of the Management Board and Supervisory Board

In 2024, the composition of the Company's Management Board was as follows:

Surname and first name	Position held	Term of office
DĄBROWSKI WOJCIECH	President of the Management Board	2020.02.20 - 2024.02.07
BUK WANDA	Member of the Management Board	2020.09.01 - 2024.02.07
ROJEWSKI LECHOSŁAW	Member of the Management Board	2021.06.09 - 2024.02.28
WŁODARSKI RAFAŁ	Member of the Management Board	2023.01.09 - 2024.02.07
KOŁODZIEJAK PRZEMYSŁAW	Member of the Management Board	2023.05.01 - 2024.04.04
KOSIŃSKI ERYK	acting President of the Management Board – delegated from the Supervisory Board of PGE S.A.	2024.02.07 - 2024.03.17
BANASIK MAŁGORZATA	Member of the Management Board – delegated from the Supervisory Board of PGE S.A.	2024.02.07 - 2024.03.08
MARZEC DARIUSZ	President of the Management Board	2024.03.18 - present
LASKOWSKI MARCIN	Member of the Management Board	2024.03.18 - present
KOWALSKI ROBERT	Member of the Management Board	2024.05.15 - present
GÓRSKI MACIEJ	Member of the Management Board	2024.06.24 - present
JASTRZĘBSKI PRZEMYSŁAW	Member of the Management Board	2024.07.15 - present

During 2024, the following changes occurred in the composition of the Company's Management Board:

- On 7 February 2024, the Supervisory Board adopted the following resolutions:
  - No 287/XII/2024 on the dismissal of Wojciech Dąbrowski from the Management Board – President of the Management Board,
  - No 288/XII/2024 on the dismissal of Wanda Buk from the Management Board – Vice-President for Regulatory Affairs,
  - No 289/XII/2024 on the dismissal of Rafał Włodarski from the Management Board – Vice-President for Support and Development.
- Furthermore, on 7 February 2024, the Supervisory Board also adopted resolutions to delegate Members of the Supervisory Board to temporarily perform the duties of Management Board Members:
  - No 290/XII/2024 on the delegation of Eryk Kosiński to temporarily perform the duties of a Member of the Management Board of the Company for a period of 3 months and entrusting him with the duties of the President of the Management Board of the Company,
  - No 291/XII/2024 on the delegation of Małgorzata Banasik to temporarily perform the duties of a Member of the Management Board of the Company for a period of 3 months.
- On 28 February 2024, the Supervisory Board adopted Resolution No 304/XII/2024 on the dismissal of Lechosław Rojewski from the Management Board, Vice-President for Financial Affairs.
- On 6 March 2024, following a qualification procedure, the Supervisory Board adopted the following resolutions:
  - No 312/XII/2024 on the appointment of Dariusz Marzec to the Management Board of PGE S.A., entrusting him with the role of President of the Management Board effective from 18 March 2024,
  - No 313/XII/2024 on the appointment of Marcin Laskowski to the Management Board of PGE S.A., entrusting him with the role of Vice-President for Regulatory Affairs effective from 18 March 2024.

- At the same time, on 6 March 2024, the Supervisory Board adopted the following resolutions:
  - No 314/XII/2024 on the termination, as of 17 March 2024, of the delegation of Eryk Kosiński, Member of the Supervisory Board, to temporarily perform the duties of a Member of the Management Board of PGE S.A. acting as President of the Management Board,
  - No 315/XII/2024 on the termination, as of 8 March 2024, of the delegation of Małgorzata Banasik, Member of the Supervisory Board, to temporarily perform the duties of a Member of the Management Board of PGE S.A.
- On 21 March 2024, following a qualification procedure, the Supervisory Board adopted Resolution No 326/XII/2024 on the appointment of Robert Kowalski to the Management Board of PGE S.A. effective from 15 May 2024, entrusting him with the role of Vice-President for Support and Development.
- On 4 April 2024, following a qualification procedure, the Supervisory Board adopted Resolution No 336/XII/2024 on the appointment of Renata Czech to the Management Board of PGE S.A. effective from 15 April 2024, entrusting her with the role of Vice-President for Financial Affairs.
- Also on 4 April 2024, the Supervisory Board of the Company adopted Resolution No 343/XII/2024 on the dismissal of Przemysław Kołodziejak from the Management Board, Vice-President for Operations.
- On 5 April 2024, the Supervisory Board of the Company received a statement from Renata Czech, appointed as Vice-President for Financial Affairs, on her resignation from taking up the position for personal reasons.
- On 20 May 2024, following a qualification procedure, the Supervisory Board adopted Resolution No 368/XII/2024 on the appointment of Maciej Górski to the Management Board of PGE S.A. effective from 24 June 2024, entrusting him with the role of Vice-President for Operations.
- On 24 June 2024, following a qualification procedure, the Supervisory Board adopted Resolution No 378/XII/2024 on the appointment of Przemysław Jastrzębski to the Management Board of PGE S.A. effective from 15 July 2024, entrusting him with the role of Vice-President for Financial Affairs.

In 2024, the composition of the Supervisory Board of PGE Polska Grupa Energetyczna S.A. was as follows:

Surname and first name	Position held	Term of office in 2024
KOWALIK ANNA	Chair of the Supervisory Board / Secretary of the Supervisory Board	2024.01.01 - 2024.02.06/ 2024.02.07 - 2024.12.31
SKŁADANEK ARTUR	Deputy Chair of the Supervisory Board	2024.01.01 - 2024.01.31
WINIARSKI RADOSŁAW	Secretary of the Supervisory Board	2024.01.01 - 2024.01.31
GOSS JANINA	Member of the Supervisory Board	2024.01.01 - 2024.01.31
HAPUNOWICZ TOMASZ	Member of the Supervisory Board	2024.01.01 - 2024.01.31
SAWARYN MIECZYŚLAW	Member of the Supervisory Board	2024.01.01 - 2024.01.31
DOMAGAŁA MICHAŁ	Member of the Supervisory Board / Chair of the Supervisory Board	2024.01.25 - 2024.02.06/ 2024.02.07 - 2024.12.31
SADKOWSKI ANDRZEJ	Member of the Supervisory Board / Deputy Chair of the Supervisory Board	2024.02.01 - 2024.02.06/ 2024.02.07 - 2024.12.31
BANASIK MAŁGORZATA *	Member of the Supervisory Board	2024.02.01 - 2024.12.31
KOSIŃSKI ERYK **	Member of the Supervisory Board	2024.02.01 - 2024.09.11
KOZYRA ANDRZEJ	Member of the Supervisory Board	2024.02.01 - 2024.12.31
NIEBISZ ELŻBIETA	Member of the Supervisory Board	2024.02.01 - 2024.12.31
PATYRA SŁAWOMIR	Member of the Supervisory Board	2024.02.01 - 2024.12.31
RZOŃCA ANDRZEJ	Member of the Supervisory Board	2024.02.01 - 2024.12.31

\* Małgorzata Banasik was delegated to temporarily perform the duties of a Management Board Member from 7 February 2024 to 8 March 2024.

\*\* Eryk Kosiński was delegated to temporarily perform the duties of a Management Board Member from 7 February 2024 to 17 March 2024.

During 2024, the following changes occurred in the composition of the Company's Supervisory Board:

- On 25 January 2024, the Minister of State Assets appointed Michał Domagała to the Supervisory Board by means of a declaration.
  - On 31 January 2024, the Extraordinary General Meeting:
  - dismissed the following individuals from the Supervisory Board: Janina Goss, Artur Składanek, Radosław Winiarski, Tomasz Hapunowicz, and Mieczysław Sawaryn,
  - appointed the following individuals to the Supervisory Board effective from 1 February 2024: Małgorzata Banasik, Eryk Kosiński, Andrzej Kozyra, Elżbieta Niebisz, Sławomir Patyra, Andrzej Rzońca, and Andrzej Sadkowski.
- On 11 September 2024, the Company received the resignation of Eryk Kosiński from his position as a Member of the Supervisory Board of PGE S.A.

## 1.3 Changes in the Remuneration Policy for Members of the Management Board and Supervisory Board

No changes were made to the Policy during the period covered by the Report.

## 2. Total Remuneration by Component and the Relative Proportions Between These Components

The amounts of total remuneration received or due to the Members of the Company's Management Board and Supervisory Board for the period from 1 January 2024 to 31 December 2024 — i.e. for the reporting financial year to which this Report applies — are described and presented below, broken down into individual fixed and variable components, regardless of their form.

### 2.1 Total Remuneration of the Members of the Management Board

The amounts of remuneration of the Members of the Management Board of the Company, detailed in the table below, reflect the total remuneration due and received in 2024 (all required benefits were paid).

The total remuneration of the Members of the Management Board consists of fixed remuneration, variable remuneration dependent on the achievement of management objectives, as well as additional monetary and non-monetary benefits as defined in the Policy. The terms set out in the contracts for the provision of management services are consistent with the rules set out in the Policy.

In the case of Supervisory Board Members delegated to temporarily perform the duties of a Management Board Member, the total remuneration for the period of acting as a Management Board Member consisted 100% of fixed remuneration. The Company entered into service contracts with these individuals. The terms of these agreements did not include any other elements of remuneration provided for in the Policy.

On 25 July 2024, the Ordinary General Meeting of the Company adopted resolutions on the non-approval of the discharge of duties performed in 2023 by the following Members of the Management Board of PGE S.A.: Mr Wojciech Dąbrowski, Mr Ryszard Wasilek, Ms Wanda Buk, Mr Paweł Śliwa, Mr Lechosław Rojewski, Mr Rafał Włodarski, and Mr Przemysław Kołodziejak.

In view of the adoption by the Ordinary General Meeting of the Company of resolutions on the non-approval of the discharge of duties for all persons who served as Members of the Management Board of PGE S.A. in

2023 — and thus the non-fulfilment of the condition for payment of Variable Remuneration for 2023 — the Supervisory Board of PGE S.A. adopted a resolution to waive the evaluation of the level of achievement of management objectives in 2023, and subsequently adopted resolutions confirming that the aforementioned former Members of the Management Board are not entitled to variable remuneration for 2023.

In accordance with the adopted Policy, in addition to fixed and variable remuneration, the Supervisory Board may, in justified cases, grant Members of the Management Board the right to additional benefits. In 2024, the Supervisory Board exercised this right and awarded a training benefit to Mr Wojciech Dąbrowski – President of the Management Board.

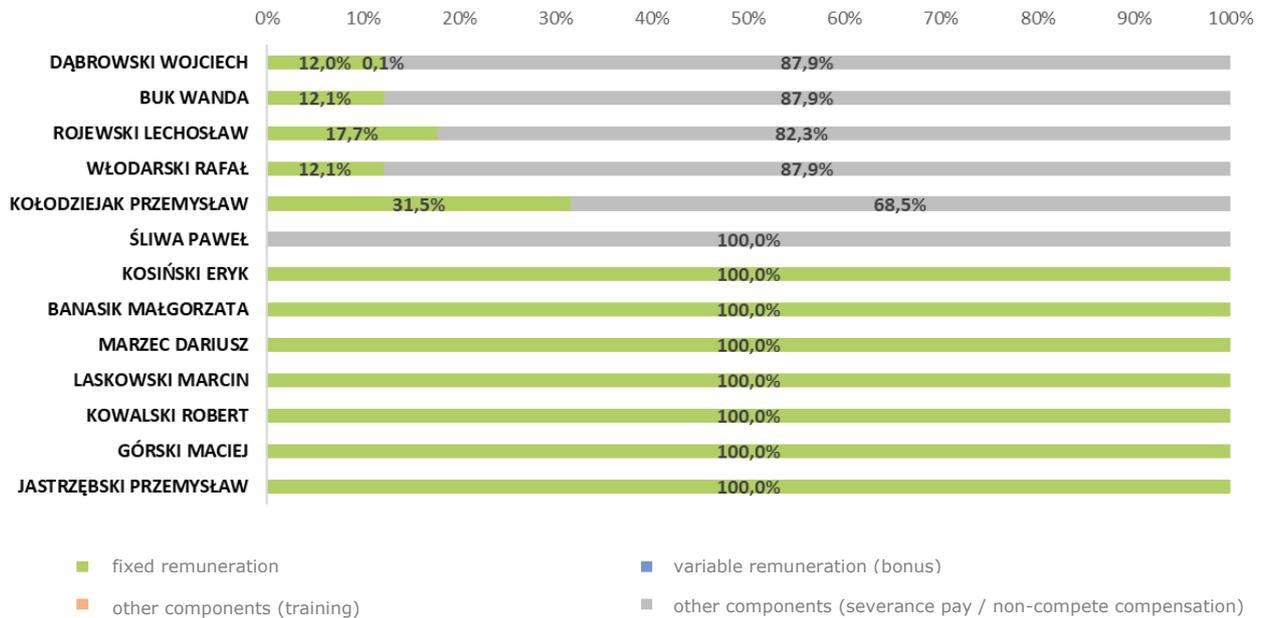
**Table: Total Remuneration of Management Board Members for 2024 (PLN)**

Surname and first name	Fixed remuneration	Variable remuneration	Other components	Other components	TOTAL*	Proportion of variable remuneration to fixed remuneration**	Term of office
	Management Contract	Bonus for 2023	Training	(severance pay / non-compete compensation)			
<b>DĄBROWSKI WOJCIECH</b> <i>President of the Management Board</i>	81,469.93	0.00	676.00	594,510.30	<b>676,656.23</b>	0.0%	2020.02.20 - 2024.02.07
% share of the remuneration component in total remuneration	12.0%	0.0%	0.1%	87.9%	100.0%		
<b>BUK WANDA</b> <i>Member of the Management Board</i>	76,038.62	0.00	0.00	554,876.28	<b>630,914.90</b>	0.0%	2020.09.01 - 2024.02.07
% share of the remuneration component in total remuneration	12.1%	0.0%	0.0%	87.9%	100.0%		
<b>ROJEWSKI LECHOSŁAW</b> <i>Member of the Management Board</i>	119,195.72	0.00	0.00	554,876.28	<b>674,072.00</b>	0.0%	2021.06.09 - 2024.02.28
% share of the remuneration component in total remuneration	17.7%	0.0%	0.0%	82.3%	100.0%		
<b>WŁODARSKI RAFAŁ</b> <i>Member of the Management Board</i>	76,038.62	0.00	0.00	554,876.28	<b>630,914.90</b>	0.0%	2023.01.09 - 2024.02.07
% share of the remuneration component in total remuneration	12.1%	0.0%	0.0%	87.9%	100.0%		
<b>KOŁODZIEJAK PRZEMYSŁAW</b> <i>Member of the Management Board</i>	254,832.08	0.00	0.00	554,876.28	<b>809,708.36</b>	0.0%	2023.05.01 - 2024.04.04
% share of the remuneration component in total remuneration	31.5%	0.0%	0.0%	68.5%	100.0%		
<b>ŚLIWA PAWEŁ</b> <i>Member of the Management Board</i>	0.00	0.00	0.00	369,917.52	<b>369,917.52</b>	0.0%	2020.02.20 - 2023.11.23
% share of the remuneration component in total remuneration	0.0%	0.0%	0.0%	100.0%	100.0%		
<b>KOSIŃSKI ERYK</b> <i>acting President of the Management Board</i>	86,336.68	0.00	0.00	0.00	<b>86,336.68</b>	0.0%	2024.02.07 - 2024.03.17
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	0.0%	100.0%		
<b>BANASIK MAŁGORZATA</b> <i>Member of the Management Board</i>	62,681.55	0.00	0.00	0.00	<b>62,681.55</b>	0.0%	2024.02.07 - 2024.03.08
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	0.0%	100.0%		
<b>MARZEC DARIUSZ</b> <i>President of the Management Board</i>	625,336.76	0.00	0.00	0.00	<b>625,336.76</b>	0.0%	2024.03.18 - present
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	0.0%	100.0%		
<b>ŁASKOWSKI MARCIN</b> <i>Member of the Management Board</i>	583,647.68	0.00	0.00	0.00	<b>583,647.68</b>	0.0%	2024.03.18 - present
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	0.0%	100.0%		
<b>KOWALSKI ROBERT</b> <i>Member of the Management Board</i>	466,507.14	0.00	0.00	0.00	<b>466,507.14</b>	0.0%	2024.05.15 - present
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	0.0%	100.0%		
<b>GÓRSKI MACIEJ</b> <i>Member of the Management Board</i>	384,303.22	0.00	0.00	0.00	<b>384,303.22</b>	0.0%	2024.06.24 - present
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	0.0%	100.0%		
<b>JASTRZEBSKI PRZEMYSŁAW</b> <i>Member of the Management Board</i>	343,201.30	0.00	0.00	0.00	<b>343,201.30</b>	0.0%	2024.07.15 - present
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	0.0%	100.0%		

\* The data do not include ZUS (social security) contributions reimbursed, which are included in PIT income.

\*\* Proportion relative to the remuneration received in the year for which the bonus was paid.

Chart: Proportions of Remuneration Paid to Management Board Members in 2024



## 2.2 Total Remuneration of the Members of the Supervisory Board

The amounts of remuneration of the Members of the Supervisory Board, detailed in the table below, reflect the total remuneration due and received by the Members of the Supervisory Board in 2024 (all required benefits were paid).

The terms of remuneration of the Members of the Supervisory Board are in accordance with the principles laid down in the adopted Policy.

The remuneration structure for individuals serving as Members of the Supervisory Board of the Company consists of fixed remuneration determined in connection with their appointment as Chairperson of the Supervisory Board or as a Member of the Supervisory Board.

The monthly remuneration of the Members of the Supervisory Board is calculated as the product of the remuneration base referred to in the Remuneration Act, taking into account the detailed legal provisions governing its amount, and the multiplier:

- for the Chairperson of the Supervisory Board: 1.7
- for other Members of the Supervisory Board: 1.5

In line with the assumptions of the Policy, the Members of the Supervisory Board do not receive additional monetary or non-monetary benefits. Due to the absence of variable remuneration components, it is not possible to determine the proportion between fixed and variable components.

Total remuneration consists 100% of fixed remuneration.

Table: Total Remuneration of the Members of the Supervisory Board for 2024 (PLN)

Surname and first name	Fixed remuneration	Variable remuneration	Other components	TOTAL*
		n/a	n/a	
<b>KOWALIK ANNA</b> <i>Chair of the Supervisory Board / Secretary of the Supervisory Board</i>	91,234.48	0.00	0.00	<b>91,234.48</b>
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	100.0%
<b>SKŁADANEK ARTUR</b> <i>Deputy Chair of the Supervisory Board</i>	11,651.42	0.00	0.00	<b>11,651.42</b>
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	100.0%
<b>WINIARSKI RADOSŁAW</b> <i>Secretary of the Supervisory Board</i>	11,651.42	0.00	0.00	<b>11,651.42</b>
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	100.0%
<b>GOSS JANINA</b> <i>Member of the Supervisory Board</i>	11,651.42	0.00	0.00	<b>11,651.42</b>
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	100.0%
<b>HAPUNOWICZ TOMASZ</b> <i>Member of the Supervisory Board</i>	11,651.42	0.00	0.00	<b>11,651.42</b>
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	100.0%
<b>SAWARYN MIECZYŚLAW</b> <i>Member of the Supervisory Board</i>	11,651.42	0.00	0.00	<b>11,651.42</b>
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	100.0%
<b>DOMAGAŁA MICHAŁ</b> <i>Chair of the Supervisory Board</i>	90,378.78	0.00	0.00	<b>90,378.78</b>
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	100.0%
<b>SADKOWSKI ANDRZEJ</b> <i>Deputy Chair of the Supervisory Board</i>	77,708.12	0.00	0.00	<b>77,708.12</b>
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	100.0%
<b>BANASIK MAŁGORZATA</b> <i>Member of the Supervisory Board</i>	66,762.65	0.00	0.00	<b>66,762.65</b>
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	100.0%
<b>KOSIŃSKI ERYK</b> <i>Member of the Supervisory Board</i>	40,844.28	0.00	0.00	<b>40,844.28</b>
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	100.0%
<b>KOZYRA ANDRZEJ</b> <i>Member of the Supervisory Board</i>	77,708.12	0.00	0.00	<b>77,708.12</b>
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	100.0%
<b>NIEBISZ ELŻBIETA</b> <i>Member of the Supervisory Board</i>	77,708.12	0.00	0.00	<b>77,708.12</b>
% share of the remuneration component in total remuneration	100.0%	0.0%	0.0%	100.0%

<b>PATYRA SŁAWOMIR</b> <i>Member of the Supervisory Board</i>	77,708.12	0.00	0.00	<b>77,708.12</b>
<i>% share of the remuneration component in total remuneration</i>	100.0%	0.0%	0.0%	100.0%
<b>RZOŃCA ANDRZEJ</b> <i>Member of the Supervisory Board</i>	77,708.12	0.00	0.00	<b>77,708.12</b>
<i>% share of the remuneration component in total remuneration</i>	100.0%	0.0%	0.0%	100.0%

\* The data do not include ZUS (social security) contributions reimbursed, which are included in PIT income.

### 3. Explanation of How the Total Remuneration Aligns with the Adopted Remuneration Policy, Including How It Contributes to the Long-Term Performance of the Company

The remuneration of all Members of the Company's Management Board and Supervisory Board for the period covered by the Report was granted exclusively in accordance with the provisions of the Policy. The remuneration included only the components provided for in the Policy and was paid in line with its rules — at the correct level, on the appropriate legal basis, and based on clear, comprehensive, and diversified financial and non-financial performance criteria concerning variable remuneration components.

In line with the assumptions of the Policy, the variable remuneration components of the Members of the Management Board contribute to the implementation of the business strategy, the long-term interests, and the stability of the Company by motivating them to achieve both general and specific management objectives. Among the general management goals set out in the Policy are those linked to the achievement of specified financial (EBITDA, net debt/EBITDA) and technical indicators, implementation of investment projects supporting the Group's strategy, conducting research projects aimed at effectively leveraging innovation potential, and building a systemic approach to communication.

In addition, based on the assumptions of the Policy, supplementary management objectives are defined each financial year, the achievement of which is a condition for the Members of the Management Board to receive variable remuneration. These include:

- shaping and applying remuneration principles for the governing and supervisory bodies of subsidiaries in line with those outlined in the Remuneration Act;
- fulfilment of the duties referred to in Articles 17–20, 22, and 23, taking into account Articles 18a and 23a of the Act of 16 December 2016 on the principles of state property management.

The bonus criteria for individual Members of the Management Board are intended to encourage actions aimed at achieving the Company's key strategic objectives.

The specification of management goals, including the assignment of their weights and the establishment of objective and measurable performance and settlement criteria (KPIs), taking into account the Policy conditions — including those referring in detail to social interests, the Company's and Capital Group's contribution to environmental protection, and actions to prevent and mitigate the social consequences of their activities through the modernisation of the Company and the Group — was carried out by the Supervisory Board via a resolution adopted on 24 June 2024.

In defining the specific management goals, the Supervisory Board determined their weightings and objective, measurable, clear, comprehensive, and diversified financial and non-financial implementation and settlement indicators (KPIs).

When defining the above-mentioned specific management goals, weightings, and bonus criteria, the Supervisory Board additionally took into account the following assumptions:

- Variable Remuneration is due to a given Member of the Management Board for a particular financial year after the approval of the Management Board report on the Company's activities and the Company's financial statements for that year, and after the granting of discharge by the General Meeting for the performance of duties in the given financial year;
- the payment of part of the Variable Remuneration may be deferred, for a period not exceeding 36 months, depending on the fulfilment of the conditions within the prescribed time frame in accordance with the designated management goals — in which case that part of the Variable Remuneration may be paid in whole or in part at the end of the settlement period;
- Variable Remuneration is calculated on a pro rata basis. Proportionality depends on the number of days the Management Board Member provided services in the given financial year;
- the fulfilment of the conditions for receiving Variable Remuneration by individual Members of the Management Board, for whom management goals were set for the year and who held office during the assessed financial year, is confirmed by the Supervisory Board, which determines the amount due based on the auditor-verified financial statements and other documents depending on the designated management goals. Issues relating to the recovery of Variable Remuneration are governed by mandatory provisions of law.

The Policy does not provide for the award of variable remuneration components to Members of the Management Board with a settlement period longer than one financial year.

The total remuneration of the Company's Management Board Members and the total remuneration of the Supervisory Board Members, along with the conditions under which it was granted, contributed to the implementation of the Company's business strategy, its long-term interests, and its stability.

## 4. Information on the Application of Performance Criteria

According to the Policy, the variable remuneration of a Management Board Member depends on the level of achievement of management objectives and may not exceed 100% of the fixed remuneration received in the financial year of the Company for which the variable remuneration is to be awarded.

Variable remuneration components are payable to a given Member of the Management Board for a specific financial year after the approval of the Management Board's report on the Company's activities and the Company's financial statements for the given financial year, and after the General Meeting grants discharge for the performance of duties in that year.

During the period covered by the Report, the Members of the Supervisory Board were not entitled to any variable remuneration dependent on the Company's performance, but only to fixed remuneration in amounts determined in accordance with the applicable Policy.

## 5. Information on the Annual Change in Remuneration, Company Results and Average Remuneration of Employees Who Are Not Members of the Management Board or Supervisory Board

Table: Annual Change in Total Remuneration of Management Board Members (PLN)

Surname and first name	2024	2023	2022	2021	2020
<b>DĄBROWSKI WOJCIECH</b> <i>President of the Management Board</i>	676,656.23	1,594,296.80	1,206,900.25	1,151,776.59	689,222.74
<i>year-on-year change [%]</i>	-57.6%	32.1%	4.8%	67.1%	0.0%
<b>BUK WANDA</b> <i>Member of the Management Board</i>	630,914.90	1,194,086.06	1,134,549.24	876,000.03	246,611.68
<i>year-on-year change [%]</i>	-47.2%	5.2%	29.5%	255.2%	0.0%
<b>ROJEWSKI LECHOSŁAW</b> <i>Member of the Management Board</i>	674,072.00	1,183,911.06	956,961.44	415,129.72	0.00
<i>year-on-year change [%]</i>	-43.1%	23.7%	130.5%	0.0%	0.0%
<b>WŁODARSKI RAFAŁ</b> <i>Member of the Management Board</i>	630,914.90	725,449.42	0.00	0.00	0.00
<i>year-on-year change [%]</i>	-13.0%	0.0%	0.0%	0.0%	0.0%
<b>KOŁODZIEJAK PRZEMYSŁAW</b> <i>Member of the Management Board</i>	809,708.36	431,570.44	0.00	0.00	0.00
<i>year-on-year change [%]</i>	87.6%	0.0%	0.0%	0.0%	0.0%
<b>KOSIŃSKI ERYK</b> <i>acting President of the Management Board – Delegated from the Supervisory Board of PGE S.A.</i>	86,336.68	0.00	0.00	0.00	0.00
<i>year-on-year change [%]</i>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>BANASIK MAŁGORZATA</b> <i>Member of the Management Board – delegated from the Supervisory Board of PGE S.A.</i>	62,681.55	0.00	0.00	0.00	0.00
<i>year-on-year change [%]</i>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>MARZEC DARIUSZ</b> <i>President of the Management Board</i>	625,336.76	0.00	0.00	0.00	0.00
<i>year-on-year change [%]</i>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>LASKOWSKI MARCIN</b> <i>Member of the Management Board</i>	583,647.68	0.00	0.00	0.00	0.00
<i>year-on-year change [%]</i>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>KOWALSKI ROBERT</b> <i>Member of the Management Board</i>	466,507.14	0.00	0.00	0.00	0.00
<i>year-on-year change [%]</i>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>GÓRSKI MACIEJ</b> <i>Member of the Management Board</i>	384,303.22	0.00	0.00	0.00	0.00
<i>year-on-year change [%]</i>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>JASTRZĘBSKI PRZEMYSŁAW</b> <i>Member of the Management Board</i>	343,201.30	0.00	0.00	0.00	0.00
<i>year-on-year change [%]</i>	0.0%	0.0%	0.0%	0.0%	0.0%

The table includes remuneration of the Members of the Management Board who held office in the Company's Management Board in 2024.

The fixed remuneration paid to Members of the Management Board in 2020–2024 resulted from contracts for the provision of management services or, in the case of Supervisory Board Members delegated to temporarily perform Management Board duties, from service contracts.

Table: Annual Change in Total Remuneration of Supervisory Board Members (PLN)

Surname and first name	2024	2023	2022	2021	2020
<b>KOWALIK ANNA</b>	91,234.48	89,837.16	89,837.16	89,837.16	93,114.52
year-on-year change [%]	1.6%	0.0%	0.0%	-3.5%	3.6%
<b>SKŁADANEK ARTUR</b>	11,651.42	79,268.04	79,268.04	79,268.04	82,159.84
year-on-year change [%]	-85.3%	0.0%	0.0%	-3.5%	3.6%
<b>WINIARSKI RADOSŁAW</b>	11,651.42	79,268.04	79,268.04	79,268.04	82,159.84
year-on-year change [%]	-85.3%	0.0%	0.0%	-3.5%	3.6%
<b>GOSS JANINA</b>	11,651.42	79,268.04	79,268.04	79,268.04	82,159.84
year-on-year change [%]	-85.3%	0.0%	0.0%	-3.5%	3.6%
<b>HAPUNOWICZ TOMASZ</b>	11,651.42	79,268.04	79,268.04	79,268.04	82,159.84
year-on-year change [%]	-85.3%	0.0%	0.0%	-3.5%	3.6%
<b>SAWARYN MIECZYŚLAW</b>	11,651.42	79,268.04	79,268.04	79,268.04	82,159.84
year-on-year change [%]	-85.3%	0.0%	0.0%	-3.5%	3.6%
<b>DOMAGAŁA MICHAŁ</b>	90,378.78	0.00	0.00	0.00	0.00
year-on-year change [%]	0.0%	0.0%	0.0%	0.0%	0.0%
<b>SADKOWSKI ANDRZEJ</b>	77,708.12	0.00	0.00	0.00	0.00
year-on-year change [%]	0.0%	0.0%	0.0%	0.0%	0.0%
<b>BANASIK MAŁGORZATA</b>	66,762.65	0.00	0.00	0.00	0.00
year-on-year change [%]	0.0%	0.0%	0.0%	0.0%	0.0%
<b>KOSIŃSKI ERYK</b>	40,844.28	0.00	0.00	0.00	0.00
year-on-year change [%]	0.0%	0.0%	0.0%	0.0%	0.0%
<b>KOZYRA ANDRZEJ</b>	77,708.12	0.00	0.00	0.00	0.00
year-on-year change [%]	0.0%	0.0%	0.0%	0.0%	0.0%
<b>NIEBISZ ELŻBIETA</b>	77,708.12	0.00	0.00	0.00	0.00
year-on-year change [%]	0.0%	0.0%	0.0%	0.0%	0.0%
<b>PATYRA SŁAWOMIR</b>	77,708.12	0.00	0.00	0.00	0.00
year-on-year change [%]	0.0%	0.0%	0.0%	0.0%	0.0%
<b>RZOŃCA ANDRZEJ</b>	77,708.12	0.00	0.00	0.00	0.00
year-on-year change [%]	0.0%	0.0%	0.0%	0.0%	0.0%

The fixed remuneration paid to Members of the Supervisory Board resulted from their appointment.

Table: Annual Change in the Average Remuneration of Employees (Excluding Members of the Management Board and Supervisory Board) (PLN)

	2024	2023	2022	2021	2020
<b>Total remuneration of Employees per month (in PLN)</b>					
Average	23,168.76	19,957.98	17,653.23	16,159.38	15,880.17
year-on-year change [%]	16.1%	13.1%	9.2%	1.8%	7.1%

Changes in the average remuneration of the Company's employees in particular years were primarily due to:

- implementation of agreements with social partners concerning salary changes in 2021, 2022, 2023, and 2024,
- changes to the organisational structure in 2020.

Table: Company results (PLN million)

	2024	2023	change %	2022	change %	2021	change %	2020	change %
EBIT reported	1,462	1,988	-26%	1,139	75%	601	90%	712	-16%
EBITDA reported	1,476	2,002	-26%	1,151	74%	613	88%	724	-15%
<b>Result on financial activities</b>	<b>3,944</b>	<b>-7,273</b>	-	<b>2,291</b>	-	<b>1,313</b>	<b>74%</b>	<b>1,097</b>	<b>20%</b>
incl. dividend income	2,374	3,269	-27%	1,639	99%	1,252	31%	1,464	-14%
<b>Gross result</b>	<b>5,406</b>	<b>-5,285</b>	-	<b>3,430</b>	-	<b>1,914</b>	<b>79%</b>	<b>1,809</b>	<b>6%</b>
<b>Net result</b>	<b>4,836</b>	<b>-5,894</b>	-	<b>3,097</b>	-	<b>1,734</b>	<b>79%</b>	<b>1,744</b>	<b>-1%</b>

#### Methodology of Indicator Calculations

EBIT reported	Operating profit
EBITDA reported	Operating profit + depreciation and amortisation

In 2024, the Company achieved an EBITDA result of PLN 1,476 million, representing a 26% decrease compared to the previous year. The main factors influencing the year-on-year change in PGE S.A.'s result were:

**Lower result from the provision of Capacity Generation Management and Electricity Supply Security services (PLN -486 million)** – this was due to a lower value of electricity managed on behalf of PGE CG companies and a lower weighted average margin by 0.08 percentage points. The decrease in the value of managed electricity resulted from a lower average electricity price (by PLN 246/MWh), despite a higher electricity volume (by 7.9 TWh).

**Lower result on CO<sub>2</sub> emissions trading (PLN -156 million)** – this resulted from a lower interim valuation of forward transactions and a lower realised margin on CO<sub>2</sub> trading. The lower margin stemmed from a reduced volume of CO<sub>2</sub> allowances sold (down by 21.9 million tonnes). The decrease in volume mainly resulted from a different CO<sub>2</sub> purchasing schedule for surrendering in 2022 and 2023, and lower demand due to reduced production.

**Lower result on other operating activities (-PLN 39 million)** – mainly due to a lower impairment loss on receivables (reversal in 2024 of an impairment loss on receivables from Enesta sp. z o.o. amounting to PLN 12 million, compared to PLN 60 million in 2023).

**Higher result on electricity sales (+PLN 68 million)** – due to a higher unit margin on electricity sales of PLN 1.7/MWh, resulting from the electricity supply hedging model adopted in previous years, which was exposed to market price volatility risk – this led to a negative result in 2023.

**Lower organisational operating costs (+PLN 44 million)** – mainly due to lower contributions to the Price Difference Payment Fund (-PLN 93 million), as the legal provisions regulating contributions to the Price Difference Payment Fund were not in effect in 2024.

**Higher revenue from the provision of Corporate Centre services (+PLN 37 million)** – resulting from increased support contract revenues, mainly due to the centralisation of accounting, HR, communications, and marketing areas since July 2023, higher rates for services provided, and contracts signed with new companies.

In 2024, the Company achieved a net profit of PLN 4,836 million, representing an increase of PLN 10,730 million compared to the previous year. This occurred despite a lower EBITDA result by PLN 526 million (-26%), offset by a higher result on financial activities of PLN 11,217 million. The key factors affecting the year-on-year change in PGE S.A.'s financial activities were:

**Impairment adjustments to the value of financial fixed assets (+PLN 12,313 million)** – in 2024, there was a reduction in the impairment adjustment of bonds held in Autostrada Wielkopolska S.A., a reduction in the impairment of shares in PGE Systemy S.A., an increase in the impairment of loans granted to PGE GiEK S.A., and an increase in the impairment of shares in PGE Nowa Energia Sp. z o.o. w likwidacji. In 2023, impairment losses were recorded on shares, loans granted, and bonds held by PGE GiEK S.A. totalling PLN 11,750 million, as well as an impairment of PLN 475 million on bonds issued by Autostrada Wielkopolska S.A., and an increased impairment on shares in PGE Trading GmbH.

**Lower dividend income from PGE CG companies (-PLN 895 million)** – this was mainly due to the absence in 2024 of a dividend from PGE Energetyka Kolejowa Holding sp. z o.o. (the dividend in 2023 amounted to PLN 1,412 million), and a reduction in dividend income from PGE Energia Odnawialna S.A. by PLN 163 million, partially offset by an increase in dividend income from PGE Dystrybucja by PLN 638.0 million.

**Lower interest income (-PLN 164 million)** – mainly due to lower interest on bank account balances and deposits, which resulted from a lower level of cash and deposits in 2024.

## 6. Amount of Remuneration from Entities Belonging to the Same Capital Group

During the period covered by the Report, Robert Kowalski received the following remuneration components from PGE Toruń S.A., a company belonging to PGE Energia Ciepła S.A., which in turn is part of the PGE CG:

- Non-compete compensation: PLN 15,500 (the final instalment for December 2023 was paid on 11 January 2024 – prior to Robert Kowalski's appointment to the Company's Management Board)
- Variable Remuneration for 2023: PLN 68,613.20 (paid on 21 October 2024 – during his term on the Company's Management Board)

The remaining Members of the Management Board did not receive any remuneration or benefits from entities belonging to the PGE CG during the period covered by the Report.

## 7. Number of Financial Instruments Granted or Offered and Key Terms of Execution of Rights from These Instruments

During the period covered by the Report, Members of the Management Board were not entitled to any remuneration or benefits in the form of financial instruments.

## 8. Information Regarding the Use of the Right to Claim Repayment of Variable Remuneration Components

During the period covered by the Report, the Company did not exercise the right to claim repayment of variable remuneration components.

## 9. Information on Deviations from the Procedure for Implementing the Remuneration Policy and Deviations Applied in Accordance with Article 90f, Including an Explanation of the Grounds and Procedure, and Indication of the Elements from Which Deviations Were Applied

During the period covered by the Report, the Company did not make use of temporary deviations from the procedure for implementing the Remuneration Policy, nor did it apply deviations under the procedure laid down in Article 90f of the Act.

## 10. Explanation of How the Advisory Resolution of the General Meeting Relating to the Previous Remuneration Report Was Taken into Account

The General Meeting of PGE Polska Grupa Energetyczna S.A., by way of Resolution No 10 of 28 June 2024, issued a positive opinion on the 'Report on the Remuneration of the Management Board and Supervisory Board Members of PGE Polska Grupa Energetyczna S.A. for 2023', without submitting any comments.

In view of the above, there was no need to take additional measures to incorporate the General Meeting's recommendations into the Remuneration Policy or the current Report.

During the period covered by the Report, the Company continued to apply the best practices developed to date with regard to the remuneration of Members of the Management Board and the Supervisory Board, as well as the reporting of paid remuneration and benefits.