

Current Report no. 4/2019 of 17.05.2019

Subject:

Supplementation of the individual and consolidated annual reports for 2018 with the information about the Audit Committee of the Company's Supervisory Board.

Legal basis:

Article 56 (1) (2) of the act on public offering – current and periodic information

Content of the Report:

With reference to the information provided in the individual and consolidated annual reports for 2018, the Management Board of Elektrociepłownia „Będzin” S.A. (“Issuer”) hereby supplements and elaborates on the information included in the corporate governance statement, published on 25 April 2019, within the scope of the Company's Audit Committee in Section 11.2. of the Corporate Governance Statement constituting Appendix 1 to the Report of the Management Board on operations of the Company in 2018 and in Section 11.2 of the Corporate Governance Statement constituting Appendix 1 to the Report of the Management Board on operations of the Capital Group Elektrociepłownia „Będzin” S.A. in 2018, by adding the following information:

„a) Janusz Niedźwiecki - Chairman of the Audit Committee, meeting the criteria of independence stipulated in Article 129 (3) of the Act of 11 May 2017 on statutory auditors, audit firms and public oversight, hereinafter referred to as the “Act”, having knowledge and qualifications in the industry, in which the Issuer operates, stipulated in Article 129 (5) of the Act and in the field of accounting or auditing of financial statements pursuant to Article 129 (1) of the Act. He is a graduate of the Gdańsk University of Technology, Faculty of Electrical Engineering, specialisation: Construction of Machinery and Electric Appliances – electrical engineer, Faculty of Management and Economics, major in Management and Marketing, specialisation: Economics and Finance – master's degree. Mr Janusz Niedźwiecki completed also a post-graduate course in management at the Nicolaus Copernicus University in Toruń – Faculty of Economic Sciences and Management. He has gained his professional experience by acting as Chairman of the Supervisory Board of TROPS S.A. since 18 July 2014 and Chairman of the Supervisory Board of Apator S.A. since 25 June 2013. Since 2005 he has been member of the Supervisory Board of Apator Metrix S.A. (a company being a member of the Apator Group) and he was also member of the Supervisory Board of DM W INVESTMENTS SA. In 2000-2013 Mr Niedźwiecki was President of the Management Board of Apator SA – General Director. In 1998-2000 he was member of the Management Board of Apator SA – Marketing Director. In 1989-1998 he worked in the trade department of a state-owned enterprise, PZAE Apator, later Apator SA. In 1983-1989 he was an employee of the Gdańsk University of Technology.

b) Waldemar Organista - Member of the Audit Committee, having qualifications in the industry, in which the Issuer operates, stipulated in Article 129 (5) of the Act. He is a graduate of the Poznań University of Technology. He was an employee of this University at the Institute of Civil Engineering. In 1983-1985 he was Manager of Zakład Usług Budowlanych S.S.P. „Akademik”, and in 1985-1988 he was member of the Management Board of Praca Expo – Service and Manager of the Repair and Construction Plant. Since 1986 Mr Organista has been President of the Management Board of Przedsiębiorstwo Usługowe „UTECH” Sp. z o.o. He held functions in Supervisory Boards of the following companies: Fabryka Maszyn Górniczych PIOMA S.A. – member, Huta Szczecin – member, and currently acts as member of Supervisory Boards in the following companies: „Power Engineering” S.A. in Czerwonak – Deputy Chairman, Energetyczne Towarzystwo Finansowo Leasingowe „ENERGO-UTECH” S.A. – Deputy Chairman and Power Engineering Transformatory Sp. z o.o.

c) Wojciech Sobczak – Member of the Audit Committee, meeting the criteria of independence stipulated in Article 129 (3) of the Act, is a graduate of the Kazimierz Wielki University in Bydgoszcz, having knowledge and qualifications in the field of accounting or auditing of financial statements stipulated in Article 129 (1) of the Act. In 1990-2007 he worked as securities broker and advisor to the Director of Bankowy Dom Maklerski PKO BP S.A. In 2007-2008 he was President of NFI KREZUS S.A. In 2008-2010 he acted as President and Vice-President of SUWARY S.A., and Vice-President and Financial Director of SKOTAN S.A. In 2014-2015 he acted as member of the Management Board of Destylacje Polskie sp. z o.o., and in 2010-2017 he was advisor to Wentworth tech sp. z o.o. in the field of restructuring of financing, capital restructuring, M&A and SPO transactions. Currently, Mr Sobczak is President of the Management Board of NETWISE S.A. Since 2018 he also has been member of the Audit Committee and Chairman of the Supervisory Board of PROTEKTOR S.A. While holding board positions in commercial companies, including listed companies, he was responsible for the financial departments of these entities where, inter alia, he prepared and implemented short- and long-term strategies for companies, managed operations, finances as well as trade and procurement departments, and was responsible for preparing supervision over investment projects. He holds a securities broker licence.

d) Grzegorz Kwiatkowski – Member of the Audit Committee, having knowledge and qualifications in the field of accounting or auditing of financial statements stipulated in Article 129 (1) of the Act, a graduate of the Poznań University of Economics. He has a MSc degree in Management, specialisation: investments and financial strategies of enterprises. He continued his education at the University of Salford – MSc degree, specialisation: Investment Banking. In 2016 he completed a course for investment advisors. In 2010-2011 he acted as Chief Financial Officer in Autodirect S.A., and in 2011-2017 as Chief Financial Officer and President of the Management Board of this company. In 2014-2015 he was member of the Management Board of Minicar Polska Sp. z o.o. In 2012-2017 Mr Kwiatkowski acted as Financial Advisor in Energomar sp. z o.o. He also held functions in Supervisory Boards of the following companies: in 2006-2009 – member of the Supervisory Board of Styropoz sp. z o.o.; 2014-2017 – member of the Supervisory Board of Elpe Elektroprodukt sp. z o.o., since 2017 – member of the Supervisory Board of Power Engineering Transformatory sp. z o.o. and Power Engineering S.A.

In consideration of the foregoing, the Company provides attached:

Erratum to the Report of the Management Board on operations of the Company in 2018 – supplementation to the part concerning the Corporate Governance Statement with regard to the fulfilment by the persons being members of the Audit Committee the requirements stipulated in the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising information required by the laws of a non-member state as equivalent.

The other documents and data contained in the individual and consolidated annual reports for 2018 submitted by the Issuer on the aforementioned date shall remain unchanged.

The Company shall submit again the corrected Annual Report for 2018 and the Consolidated Group Annual Report for 2018, along with all the appendices.

Detailed legal basis:

The 1st, 2nd and 3rd indents of § 70 (6) (5) (I) and § 70 (6) (5) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising information required by the laws of a non-member state as equivalent.

Signature:

Krzysztof Kwiatkowski - President of the Management Board