

# Explanatory Notes to the Agenda and Draft Resolutions Annual General Meeting to be Held on 21 June 2023

As per items of the agenda of the AGM:

## 1. OPENING AND ANNOUNCEMENTS; ELECTION OF THE CHAIRMAN AND SECRETARY OF THE ANNUAL GENERAL MEETING

The following resolutions shall be proposed to be adopted:

*“The General Meeting has elected [to be filled in] the Chairman of the General Meeting.”*

*“The General Meeting has elected [to be filled in] the Secretary and the minutes taker of the General Meeting.”*

## 2. CONSIDERATION OF THE ANNUAL REPORT 2022; ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS (STAND-ALONE AND CONSOLIDATED) AND ALLOCATION OF THE FINANCIAL RESULT

The annual report 2022 is published on the Company's website at <https://www.photonenergy.com/en/investor-relations.html> and is also made available at the Company's office. The following resolutions shall be proposed to be adopted:

*“The General Meeting hereby approves the stand-alone Annual Financial Statements of the Company for 2022 and approves the transfer of profit in the amount of **EUR 16,965 thousand** to the retained earnings in the shareholders equity.”*

*“The General Meeting hereby approves the Consolidated Financial Statements of the Company for 2022 and approves the transfer of the consolidated profit in the amount of **EUR 6,262 thousand** to the retained earnings in the shareholders equity.”*

## 3. CONSIDERATION OF THE REMUNERATION REPORT PROPOSED BY THE SUPERVISORY BOARD AND ADVISORY VOTE ON REMUNERATION REPORT;

The Remuneration Report has been prepared in accordance with Dutch law and has been published on the Company's website as part of the Annual Report (page 71 of the Annual Report 2022). The following resolution shall be proposed to be adopted:

*„The General Meeting hereby approves the Remuneration Report for 2022.“*

## 4. GRANTING DISCHARGE TO THE MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY

The following resolution shall be proposed to be adopted:

*“The General Meeting hereby discharges and releases the Company's Board of Directors from liability for its conduct performed in and relating to the financial year of 2022.”*

## 5. GRANTING DISCHARGE TO THE MEMBERS OF THE SUPERVISORY BOARD OF THE COMPANY

The following resolution shall be proposed to be adopted:

*“The General Meeting hereby discharges and releases the Supervisory Board of the Company from liability for its conduct performed in and relating to the financial year of 2022.”*

## 6. GRANTING AUTHORIZATION TO THE BOARD OF DIRECTORS TO ACQUIRE SHARES IN THE SHARE CAPITAL OF THE COMPANY

This proposal concerns the authorization of the Board of Directors under Article 9.3 of the Articles of Association. If adopted, this authorization will replace the authorization granted to the Board of Directors by the annual general meeting 2022. The following resolution shall be proposed to be adopted:

***“The general meeting hereby authorizes the Board of Directors to acquire shares in the share capital of the Company for consideration, for a period of 18 months, commencing on this date and consequently ending on 21st December, 2024. The Board of Directors is authorized to acquire the maximum number of shares permitted by law and the Company’s Articles of Association. The shares may be acquired by purchase on public markets on which the shares are traded, or through a private contractual transaction between the Company on one side, and a selling shareholder on the other side. The price for the shares must be at least equal to the nominal value of shares and may not exceed the average of closing prices of shares during the five trading days prior to the date of the purchase, published by Warsaw Stock Exchange, increased by ten percent.”***

## 7. ADOPTION OF THE MANAGEMENT INCENTIVE PLAN

The Board of Directors proposes to approve a Management Incentive Plan (“MIP”) for a key employee and manager of the New Division of the Company, Mr. Krzysztof Drozynski. The MIP is a future remuneration to Mr. Drozynski, agreed upon the acquisition of Lerta S.A. and its subsidiaries (now constituting a part of New Division) by the Company. The entire text of the Terms & Conditions of the MIP has been published on the Company’s website at <https://www.photonenergy.com/en/investor-relations.html> and has also been available at the Company’s office since the date of the publication of the convocation notice. The following resolutions shall be proposed to be adopted:

***“The General Meeting hereby approves the Management Incentive Plan (MIP) granted to Mr. Krzysztof Drozynski and as defined by the MIP Terms & Conditions that were published on the Company’s website and constitute an Annex no. [ ].”***

## 8. GRANTING AUTHORIZATION TO THE BOARD OF DIRECTORS TO ISSUE SHARES AND TO GRANT RIGHTS TO SUBSCRIBE FOR SHARES (IN ADDITION TO THE EXISTING AUTHORIZATION)

**[shall be put to voting and approved only if the previous resolution is approved]**

Under Article 6.1 of the Articles of Association, the general meeting may designate the Board of Directors for a specified period of not more than five years as the competent body to issue shares and grant rights to subscribe for shares. Upon the designation, the number of shares that may be issued shall be determined. The designation may at any time be extended for a period of not more than five years. Unless provided otherwise upon the designation, it may not be revoked. As long as the designation is in force, the general meeting shall not be authorised to resolve to issue shares.

Under the Management Incentive Plan to be approved by the previous resolution of the General Meeting, the Company agrees (subject to fulfilment of conditions stipulated by the Terms & Conditions) to issue up to 880,277 shares in the capital of the Company to Mr. Krzysztof Drozynski. The final number of shares to be issued (if any) shall be determined after the end of the financial year 2025 and on the basis the provisions of the Terms & Conditions. In connection with the Management Incentive Plan, the Board of Directors therefore proposes to be designated as the competent body to issue shares and grant rights to subscribe for shares up to 880,277 shares in the authorized share capital of the Company, such in addition to the existing designation by the general meeting to the Board of Directors at the Company’s 2022 annual general meeting to issue shares and to grant rights to subscribe shares

with respect to a maximum of 10 million ordinary registered shares in the share capital of the Company. The following resolution shall be proposed to be adopted:

***„The general meeting hereby designates the Board of Directors of the Company for a period of five years, commencing on this date and consequently ending on 21 June 2028 as competent to issue shares and to grant rights to subscribe for shares; this authorization to issue shares and to grant rights to subscribe shares is granted with respect to a maximum of 880,277 ordinary registered shares in the share capital of the Company, each with a nominal value of EUR 0.01 (zero euro 01/100) in the authorized share capital of the Company, and this designation shall be in addition to, and shall not replace, the existing designation by the general meeting to the Board of Directors at the Company’s 2022 annual general meeting to issue shares and to grant rights to subscribe shares with respect to a maximum of 10 million ordinary registered shares in the share capital of the Company.“***

**9. GRANTING AUTHORIZATION TO THE BOARD OF DIRECTORS TO LIMIT/EXCLUDE PRE-EMPTION RIGHTS OF SHAREHOLDERS WITH RESPECT TO THE ISSUANCE OF SHARES (IN ADDITION TO THE EXISTING AUTHORIZATION)**

**[shall be put to voting and approved only if the previous resolution is approved]**

Pre-emption rights may, in accordance with Article 7.3 of the Company’s Articles, be limited or excluded by the Management Board if it was designated by resolution of the general meeting for a specified period of not more than five years as competent to limit or exclude pre-emption rights. Such a designation may only be made if the Board of Directors was previously designated as competent to issue shares or is simultaneously designated as such. The designation may at any time be extended for a period of not more than five years. Unless provided otherwise upon the designation, it may not be revoked. The designation shall terminate in any event if the designation of the management board as competent to issue shares terminates. A resolution of the general meeting to limit or exclude pre-emption rights or to designate the management board competent to limit or exclude pre-emption rights shall require a majority of at least eighty percent (80%) of the votes cast.

According to the previous resolution, the General Meeting designated the Board of Directors as the competent body to issue up to 880,277 shares in the Company’s authorized capital, such in addition to the existing designation by the general meeting to the Board of Directors at the Company’s 2022 annual general meeting to issue shares and to grant rights to subscribe shares with respect to a maximum of 10 million ordinary registered shares in the share capital of the Company. The following resolution shall be proposed to be adopted provided that the Board of Directors was designated as the competent body to issue shares pursuant to the previous item, such in addition to the existing designations by the general meeting to the Board of Directors at the Company’s 2022 annual general meeting:

***„The general meeting hereby designates the Company’s Board of Directors for a period of five years, commencing on this date and consequently ending on 21 June 2028, as competent to limit or exclude pre-emption rights with respect to up to 880,277 shares in the authorized capital of the Company, issued pursuant to the Board of Directors’ resolution, and this designation shall be in addition to, and shall not replace, the existing designation by the general meeting to the Board of Directors at the Company’s 2022 annual general meeting to limit or exclude pre-emption rights with respect to a maximum of 10 million ordinary registered shares in the share capital of the Company.“***