



ENGLISH VERSION

Warsaw, 12 April March 2019

Mercuria Energy Group Ltd.

with its seat in Larnaca
Simou Menardou 8
Ria Court 8 – Office 302
Republic of Cyprus

represented by attorney-at-law:

Jarosław Kołkowski

Drzewiecki Tomaszek i Wspólnicy sp. k.
ul. Belwederska 23
00-761 Warsaw
Poland

**Mr.
Minister of Energy**

ul. Krucza 36/Wspólna 6
00-522 Warsaw

The General Counsel to the Republic of Poland

ul. Hoża 76/78
00-682 Warsaw

Re: Conciliatory talks aiming at reaching an amicable solution concerning the claims that Mercuria Energy Group Ltd. with its seat in Larnaca has towards the Republic of Poland as a result of a breach of Art. 10 and Art. 13 of the Energy Charter Treaty.

Dear Sir or Madame,

Acting on behalf of Mercuria Energy Group Ltd. with its seat in Larnaca, Simou Menardou 8, Ria Court 8 – Office 302, Republic of Cyprus (“Investor”), the sole shareholder of J&S Energy S.A. with its seat in Warsaw (“J&S”), based on a power of attorney that I attach hereto, in accordance with art. 26 (1) of the Energy Charter Treaty (“Treaty”), I hereby request that you – as the representatives of the Republic of Poland – engage in conciliatory talks aiming at reaching an amicable settlement concerning Investor’s claims, arising in connection with the Republic of Poland’s failure to provide effective means for the assertion of claims and the enforcement of Investor’s rights, as well as failure to provide fair and equitable treatment, which has resulted in

Warszawa | Gdańsk | Kraków | Poznań | Wrocław | Bydgoszcz* | Kielce*

*Associated offices

Drzewiecki Tomaszek & Wspólnicy SP.K. | 00-761 Warszawa ul. Belwederska 23 | KRS 0000297875 | NIP 5260021467
E: dt@dt.com.pl | T: +48 22 840 95 00 | F: +48 22 840 95 10 | www.dt.com.pl

PARTNERZY: Zbigniew Drzewiecki, Andrzej Tomaszek, Julian Bielicki, Marcin Juszczyk,
Małgorzata Kacperska, Marcin Szymański, Krzysztof Woronowicz, Krzysztof Szczecina, Jarosław Kołkowski



the Investor's inability to enforce his claims – repayment of an overpayment of the pecuniary penalty.

The above mentioned failure to provide effective means for the assertion of claims and the enforcement of Investor's rights, manifests itself in such organization of administrative proceedings and administrative court proceedings, which prevent effective enforcement of the administrative courts decisions. During the recognition of J&S's claims, on numerous occasions the Polish authorities (namely the Material Reserves Agency and the Minister of Energy) have exceeded and postponed statutory deadlines for resolving the matter and rendered arbitrary or groundless decisions for the sole purpose of avoiding payment of J&S's claims. In consequence, for nearly a decade, despite seven (7) administrative decisions and six (6) judgements of administrative courts having been issued, J&S was unable to secure the repayment of its unquestionably due amounts, even though the Minister of Energy repeatedly admitted that J&S assignments are in principle unjustified.

As a result, the Investor, as the sole shareholder of J&S, suffered damage resulting from the failure to satisfy J&S' unsatisfying claims, which translated into the value of the company as the object of investment and directly into the non-repayment of the entire corporate loan granted by the Investor in order to pay aforementioned illegally imposed pecuniary penalty. There is no doubt that the Republic of Poland (acting by the public authorities) – as one of the signatories of the Treaty – through its inaction, has breached Art. 10 of the Treaty, which compels the Republic of Poland, including all its public authorities, to provide fair and equitable as well as non-discriminatory treatment to investors, and obliges to provide them with effective means for the assertion of claims and enforcement of rights with respect to their investment.

At the same time the Investor is confident that the Parties may find an amicable solution settling all matters connected with the Investor's claims against the State Treasury. If on the Republic of Poland's part there is also a will to reach such amicable settlement, I would be much obliged if you could contact me via e-mail or post, so that we could establish the details of such amicable settlement and a date of the meeting regarding thereof.

r.pr. Jarosław Kołkowski
Drzewiecki Tomaszek i Wspólnicy sp. k.
ul. Belwederska 23
00-761 Warszawa
kom. (+48) 600 092 673
tel. (+48 22) 840 95 00
fax (+48 22) 840 95 10
e-mail: Kolkowski@dt.com.pl

At the same time I would like to stress, that until any such amicable settlement is signed by both Parties of the dispute, this correspondence, and all the following talks and correspondence, may not be construed as a waiver of any claims or admission of any facts and arguments.



I would also like to stress that this letter should be deemed as the motion to settle the dispute amicably as regulated by Art. 26 (1) of the Treaty. Its submission results with the commencement of the 3 months period mentioned in Art. 26 (2) of the Treaty, after the laps of which – if the Parties fail to reach amicable settlement – the Investor will be entitled to submit the dispute to be resolved by an arbitral tribunal, in accordance with the procedure regulated in Art. 26 of the Treaty.

Yours sincerely,

Jarosław Kołkowski
attorney-at-law

Attachment:

- Investor's power of attorney

A copy to:

- Mateusz Morawiecki, Prime Minister of the Republic of Poland, Al. Ujazdowskie 1/3, 00-583 Warszawa
- President of the Material Reserves Agency, ul. Grzybowska 45, 00-844 Warszawa

PEŁNOMOCNICTWO

Działając w imieniu Mercuria Energy Group Ltd., spółki prawa cypryjskiego, z siedzibą w Larnace, Cypr, pod adresem Simou Menardou 8, Ria Court 8 – Office 302, wpisanej do Rejestru Spółek prowadzonego przez Ministerstwo Energetyki, Handlu, Przemysłu i Turystyki, Departament Rejestratora Spółek i Kuratora Masy Upadłości Republiki Cypru, pod numerem: HE 145530 („Mocodawca”),

niniejszym udzielam pełnomocnictwa:

Jarosławowi Kołkowskiemu
(numer PESEL: 77013006136)

Krzysztofowi Korwin-Kossakowskiemu
(numer PESEL: 88060102539)

(adres do doręczeń: Drzewiecki, Tomaszek i Wspólnicy sp. k., ul. Belwederska 23, 00-761 Warszawa), każdemu z osobna do reprezentowania Mocodawcy w:

- kontaktach, rozmowach i negocjacjach z przedstawicielami Rzeczypospolitej Polskiej związanych z wnioskiem Mocodawcy o polubowne rozwiązanie sporu dotyczącego inwestycji Mocodawcy w rozumieniu Traktatu Karty Energetycznej jako akcjonariusza J&S Energy S.A. w Warszawie;
- postępowaniu arbitrażowym przeciwko Rzeczypospolitej Polskiej, prowadzonym zgodnie z właściwym regulaminem Instytutu Arbitrażu Izby Handlowej w Sztokholmie („SCC”), mającym na celu rozstrzygnięcie sporu dotyczącego inwestycji Mocodawcy;
- wszelkich innych postępowaniach przed organami administracji, sądami administracyjnymi, sądami powszechnymi, w tym dotyczących uznania lub wykonalności rozstrzygnięć SCC, oraz polskim Sądem Najwyższym, mającymi związek z ww. rozmowami i postępowaniem arbitrażowym.

Pełnomocnicy są uprawnieni do udzielania

POWER OF ATTORNEY

Acting on behalf of Mercuria Energy Group Ltd., a company incorporated in accordance with the laws of Cyprus, with its registered office in Larnaca, Cyprus, at Simou Menardou 8, Ria Court 8 – Office 302, entered into the Registrar of Companies kept by the Ministry of Energy, Commerce, Industry and Tourism, Department of the Registrar of Companies and Official Receiver of the Republic of Cyprus, under number: HE 145530 ("Principal"),

I hereby grant this power of attorney to:

Jarosław Kołkowski
(personal identity number: 77013006136)

Krzysztof Korwin-Kossakowski
(personal identity number: 88060102539)

(address for correspondence: Drzewiecki, Tomaszek i Wspólnicy sp. k., ul. Belwederska 23, 00-761 Warsaw), each of them individually, to represent the Principal in:

- any kind of communication, consultations or negotiations with the representatives of the Republic of Poland with respect to Principal's request for amicable settlement of a dispute concerning Principal's investment under the Energy Charter Treaty as the shareholder of J&S Energy SA with its registered seat in Warsaw;
- arbitration proceedings against the Republic of Poland and conducted in accordance with the relevant arbitration rules of the Arbitration Institute of the Stockholm Chamber of Commerce ("SCC") in order to settle the dispute concerning Principal's investment;
- all other proceedings conducted before administrative authorities, administrative courts, common courts, including the proceedings regarding recognition and/or enforcement of the SCC's rulings, as well as the Polish Supreme Court concerning the above-mentioned negotiations and arbitration proceedings.

The attorneys are entitled to grant further powers of

Warszawa, dnia 12. 04. 2019

Za zgodność
z oryginałem

Krzysztof Korwin-Kossakowski

dalszych pełnomocnictw w granicach swojego umocowania i według swojego uznania.

Pełnomocnictwo niniejsze podlega prawu polskiemu i pozostaje ważne do odwołania.

attorney within their capacity as granted herein and in full discretion.

This power of attorney is governed by the laws of Poland and remains valid until duly revoked.

Data i miejsce / Date and place:

Geneva, 18 March 2019

Podpis / Signature:



François SORNAY
GROUP CHIEF LEGAL COUNSEL

Warszawa, dnia 12. 04. 2019

Za zgodność
z oryginałem

2/2

Krzysztof Korwin-Kossakowski

adwokat



MERCURIA
ENERGY GROUP LTD

MERCURIA ENERGY GROUP LIMITED
(the "Company")
(Registration No.: HE145530)

CERTIFIED EXTRACT OF DIRECTORS' RESOLUTION PASSED IN THE BOARD MEETING HELD ON 16TH FEBRUARY 2019 AND RECORDED IN THE DULY SIGNED MINUTES PURSUANT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

- Francois Sornay briefed the board on the current dispute with the Polish government, regarding J&S Energy's claim for interest against ARM and the Minister of Energy. Further recommendations made to the board to appoint law firm Drzewiecki, Tomaszek i Wspólnicy (DTW) in Poland to represent Mercuria Energy Group Ltd (MEG Ltd) in an investment arbitration against the Republic of Poland under the Energy Charter Treaty related to J&S Energy's claim – for approval

Resolution 1 The Board approves the appointment of Drzewiecki, Tomaszek i Wspólnicy (DTW) in Poland to legally represent MEG Ltd in the arbitration against the Republic of Poland, and authorizes Francois Sornay to enter into the Letter of Engagement and to individually sign any Power of Attorney or any other document or agreement that may be required to effect the appointment.

- **Action Point:** Francois Sornay to appoint and enter into the Engagement with Drzewiecki, Tomaszek i Wspólnicy (DTW) in Poland.

CERTIFIED TRUE EXTRACT BY:-

NAME: Nikolay Hristov Valchinkovski
TITLE: Director

NAME: Konstantina Kottorou
TITLE: Group Company Secretary

Date:

Warszawa, dnia 12. 04. 2019

Za zgodność
z oryginałem

Krzysztof Korwin-Kossakowski

adwokat