

APPENDIX 1 TO THE MERGER PLAN – Draft resolution of the General Meeting of the Acquiring Company on the Merger and amendments to the Statutes of the Acquiring Company.

Note: immediately before adopting this Resolution, it is necessary to verbally present to the shareholders of the Acquiring Company the important elements of the Merger Plan, the Management Board's report and the expert's opinion.

**RESOLUTION NO. [●]
of the General Meeting of the Acquiring Company
dated [●] 2010
on merger with the Acquired Company and amendments to the Statutes**

Acting pursuant to art. 506 of the Commercial Companies Code (hereinafter the “CCC”), having first heard out verbal explanations of the Management Board regarding the important elements of the Merger Plan, the Management Board’s report and the expert’s opinion:

§ 1

Merger

1. The General Meeting of the Acquiring Company, i.e. PGE Polska Grupa Energetyczna S.A., decides to resolve a merger of the Acquiring Company with the Acquired Companies, i.e.:
 - a) PGE Górnictwo i Energetyka S.A. with its registered office in Łódź,
 - b) PGE Energia S.A. with its registered office in Lublin,in the manner prescribed in art. 492 § 1 item 1 of the CCC, i.e. by transfer of the entire assets of the Acquired Companies to the Acquiring Company in exchange for shares to be issued by the Acquiring Company to the shareholders of the Acquired Companies and the successors referred to in art. 11 section 2 of the Act dated 7 September 2007 on principles of acquisition of shares from the State Treasury in the process of consolidation of companies from the electric power sector (Journal of Laws of 2007 No. 191, item 1367, as subsequently amended) (“**Conversion Act**”).
2. In line with art. 506 § 4 of the CCC, the General Meeting of the Acquiring Company grants its consent to the Merger Plan concerning merger with the Acquired Companies, announced in the Court and Economic Monitor No. [●] dated [●] 2010 r. under item [●], constituting Appendix 1 hereto.
3. In line with art. 506 § 4 of the CCC, the General Meeting of the Acquiring Company consents to the proposed amendments to the Statutes of the Acquiring Company, specified in Appendix 3 to the Merger Plan and in § 3 herein.

§ 2

Share Capital Increase

1. As a result of merger, the share capital of the Acquiring Company shall be increased from PLN 17,300,900,000 (in words: seventeen billion three hundred million nine

hundred thousand Zloty) to the total amount of PLN i.e. by PLN [●] (in words: [●]), by way of issue of [●] (in words: [●]) shares [●] series [●] with the nominal value of PLN [●] (in words: ten) each (hereinafter referred to as the “**Merger Shares**”).

2. In accordance with art. 11 section 2 of the Conversion Act, the share capital of the Acquiring Company is increased while accounting for the rights of the successors of those entitled to convert the shares of consolidated companies to the shares of the consolidating company, subject to terms and conditions stipulated in the Conversion Act.
3. The Merger Shares shall be issued to:
 - (a) the shareholders of the Acquired Companies, subject to provisions of art. 514 of the CCC, i.e. excluding the Acquiring Company as a shareholder of the Acquired Companies, that will not acquire its treasury stock in exchange for the shares of the Acquired Companies, and
 - (b) the successors referred to in art. 11 section 2 of the Conversion ActAt the following share exchange parity:

PGE Górnictwo i Energetyka S.A.	1* : 1.27560301
PGE Energia S.A.	1* : 0.05891657
4. The Merger Shares shall participate in the dividend of the Acquiring Company as from 1 January 2010, i.e. in the dividend for the financial year ended 31 December 2010.

§ 3

Amendments to the Statutes of the Acquiring Company

General Meeting of the Acquiring Company grants its consent to the following amendments to the Statutes of the Acquiring Company:

1. § 6 shall be amended to read:

“§ 6

 1. *The Company’s founding entity is the State Treasury.*
 2. *Pursuant to art. 492 § 1 item 1 of the Commercial Companies Code, the Company (as the acquiring company) merged with the following companies: PGE Górnictwo i Energetyka S.A. with its registered office in Łódź, PGE Energia S.A. with its registered office in Lublin.”*
2. § 7 shall be amended to read:

* “1” means one share of the Acquired Company. Due to the fact that parity is not an integer, it is not possible to specify *in abstracto* the number of shares of the Acquiring Company that is the integer (it is not possible to take up a fraction of the share). It will be possible to determine a specific number of shares of the Acquiring Company in relation to individual shareholders of the Acquired Company, in respect of the specific number of shares held by those shareholders, however, if as the result of multiplying the number of shares by the adopted parity, the number of shares of the Acquiring Company is not an integer, the remaining fraction due to the shareholders shall be settled by way of payments referred to in item 5 of the Merger Plan.

“§ 7

„The share capital of [•] company amounts to PLN [•] (in words: [•]), divided to [•] (in words: [•]) shares with the nominal value of PLN [•] (in words: [•]) each, of which:

- 1) [•] ([•]) series “A” bearer shares,*
- 2) [•] ([•]) series “B” bearer shares,*
- 3) [•] ([•]) series “C” bearer shares,*
- 4) [•] ([•]) series “D” bearer shares.”*

§ 4

The Resolution shall become effective as of the date of its adoption, and within the scope of amendments to the Statutes of the Acquiring Company as of the date of entry to the Register of Entrepreneurs of the National Court Register.