



**A justification for the draft resolutions to be considered by the Extraordinary General Meeting of "PGE Polska Grupa Energetyczna Spółka Akcyjna" convened for 30 March 2010**

***A justification for the draft resolution of the Extraordinary General Meeting of "PGE Polska Grupa Energetyczna Spółka Akcyjna" ("Company") concerning changes in the Company Statutes***

The adoption of this resolution is related to the need to update the provisions of the Company Statutes. The said resolution is to introduce the following changes to the Company Statutes:

- (i) deleting § 8;
- (ii) changing the text of § 21 clause 1;
- (iii) changing the text of § 27 clause 2;
- (iv) changing the text of § 27 clause 3;
- (v) changing the text of § 22 clause 1;
- (vi) changing the numbering of paragraphs from 9 to 31;
- (vii) adding new § 31;
- (viii) changing the text of § 44;
- (ix) deleting § 46.

**Note to (i):** A justification for deleting § 8 of the Statutes is the fact that the text of this provision specifying the manner of financing the Company's share capital reflects data that are already out of date.

**Note to (ii):** A change in § 21 clause 1 of the Statutes is to consist in reducing the minimum number of members of the Supervisory Board. The current provisions stipulate that the Supervisory Board consists of from seven to nine members. According to the proposed change, the Supervisory Board is to consist of from five to nine members.

**Note to (iii):** A change in the content of § 27 clause 2 of the Statutes is to consist in changing the provisions according to which the Regulations of the Supervisory Board or a resolution of the General Meeting may provide for the establishment of "the Appointments and Remuneration Committee" in place of "the Remuneration Committee", which is a better reflection of the factual function of this Committee within the structure of the Supervisory Board.

**Note to (iv):** A change in the content of § 27 clause 3 of the Statutes, specifying obligation of a member of the Supervisory Board to participate in its meetings and the manner of excusing absences, is to consist in deleting from the said provision the following phrase: "A member of the Supervisory Board shall provide reasons for his/her absence from a meeting in writing". Deleting the said provision aims at improving the functioning of the Supervisory Board.

**Note to (v):** A change in the content of § 22 clause 1 of the Statutes is of a purely technical nature and results from the below-mentioned proposal to delete § 8 of the Company Statutes and change the numbering of the paragraphs.

**Note to (vi):** A change in the numbering of paragraphs from 9 to 31 of the Statutes is of a purely technical nature and results from the proposal to delete § 8 from the Company Statutes.

**Note to (vii):** A proposal to add new § 31 concerning the manner and time of convening the General Meeting results from the necessity to adjust the provisions of the Statutes to the amended regulations of the Commercial Companies Code.

**Note to (viii):** A change in the content of § 44 of the Statutes is to consist in deleting the phrase "made after the date on which the Company becomes a public company; such announcement shall be made exclusively in the manner specified in article 402<sup>1</sup> of the Commercial Companies Code". The proposed change results from the fact that this provision is no longer valid as the Company is a public company.

**Note to (ix):** A proposal to delete § 46 specifying the rights of the State Treasury in the period before the Company's submission of an application for the admission of at least one share in the Company to public trading on a regulated market and in the period when the State Treasury remains the Company's sole shareholder results from the fact that the provisions of § 46 of the Statutes are no longer valid as Company shares have been admitted to public trading on a regulated market and in connection with the fact that the State Treasury has lost the status of the Company's sole shareholder.

***A justification for the draft resolution of the Extraordinary General Meeting of "PGE Polska Grupa Energetyczna Spółka Akcyjna" ("Company") concerning the adoption of the Regulations of the General Meeting of the Company.***

The reason for submitting this resolution concerning the adoption of the Regulations of the General Meeting of the Company is the fact that on 18 February 2010 the Company received from a shareholder representing at least one twentieth of the Company's capital a demand to convene the Extraordinary General Meeting together with a request to draw up draft Regulations of the General Meeting of the Company and to include the adoption of the said Regulations in the agenda of the Extraordinary General Meeting.

Pursuant to the provisions of § 30 clause 2 of the Statutes and pursuant to the content of the Commercial Companies Code, the General Meeting of the Company may adopt its regulations. The objective of adopting such regulations is to determine the principles and manner of convening and holding the General Meeting as the Company's governing body as well as electing members of the Supervisory Board electable by the Supervisory Board pursuant to the provisions of the Statutes and consequently - to allow shareholders to become familiar with the principles of the functioning of the General Meeting.

***A justification for the draft resolution of the Extraordinary General Meeting of "PGE Polska Grupa Energetyczna Spółka Akcyjna" ("Company") concerning changes in the composition of the Supervisory Board – dismissal of a member of the Supervisory Board***

Pursuant to the provisions of article 385 § 1 of the Commercial Companies Code and § 21 clause 2 of the Statutes, subject to § 21 clauses 3 and 4 of the Statutes, members of the Supervisory Board are dismissed by the General Meeting of the Company.

The reason for submitting this resolution concerning changes in the composition of the Supervisory Board is the fact that on 18 February 2010 the Company received from a shareholder representing at least one twentieth of the Company's capital a demand to convene the Extraordinary General Meeting together and to include in its agenda the following item: *"The adoption of a resolution concerning changes in the composition of the Company's*

*Supervisory Board, including the appointment of members of the Supervisory Board meeting the conditions specified in § 21 clause 4 of the Company Statutes."*

***A justification for the draft resolution of the Extraordinary General Meeting of "PGE Polska Grupa Energetyczna Spółka Akcyjna" ("Company") concerning changes in the composition of the Supervisory Board – appointment of a member of the Supervisory Board***

Pursuant to the provisions of article 385 § 1 of the Commercial Companies Code and § 21 clause 4 of the Statutes, members of the Supervisory Board meeting the criteria of independence specified in the principles of corporate governance adopted by the Board of the Warsaw Stock Exchange are appointed by the General Meeting.

The reason for submitting this resolution concerning changes in the composition of the Supervisory Board is the fact that on 18 February 2010 the Company received from a shareholder representing at least one twentieth of the Company's capital a demand to convene the Extraordinary General Meeting together and to include in its agenda the following item: *"The adoption of a resolution concerning changes in the composition of the Company's Supervisory Board, including the appointment of members of the Supervisory Board meeting the conditions specified in § 21 clause 4 of the Company Statutes."*

***A justification for the draft resolution of the Extraordinary General Meeting of "PGE Polska Grupa Energetyczna Spółka Akcyjna" ("Company") concerning the Company's coverage of the costs of convening and holding the General Meeting.***

Pursuant to the provisions of article 400 § 4 of the Commercial Companies Code, the General Meeting convened at the request of a shareholder representing at least one twentieth of the Company's capital is obliged to adopt a resolution determining if the Company is to cover the costs of convening and holding the General Meeting.