

A justification for the draft resolutions of the Ordinary General Meeting (“OGM”) of “PGE Polska Grupa Energetyczna Spółka Akcyjna” (the “Company”, “PGE”) convened for 24 June 2015:

I. in a matter of examination and approval of the financial statements and reports on the activities of the Company and the PGE Capital Group.

According to Article 395 § 1 item 1 and § 5 of the Commercial Companies Code, the agenda of the Ordinary General Meeting should include a matter of examination and approval of the Management Board's report on the activities of the company and the financial statements for the previous financial year as well as the consolidated financial statements and the report of the Management Board of the Company on the activities of the capital group. In addition, the General Meeting is required to approve these documents based on the Accounting Act.

II. in a matter of acknowledgement of the fulfilment of duties by members of PGE authorities.

According to Article 395 § 1 item 3 of the Commercial Companies Code, the agenda of the Ordinary General Meeting should include a matter of acknowledgement of the fulfilment of duties by members of the company authorities for the previous financial year.

III. in a matter of distribution of the PGE net profit for the financial year 2014 and the determination of the dividend record date and the dividend payment date, as well as the allocation of profit to cover retained loss.

On 20 May 2015 the Management Board of PGE made a decision concerning the proposed distribution of net profit for the financial year 2014, proposed dividend record date and the dividend payment date, as well as the allocation of profit to cover retained loss. The Management Board of PGE decided to submit a motion to the Ordinary General Meeting for approval of the following proposals:

1. The Management Board proposes to distribute the net profit for the financial year 2014 in the amount of PLN5,452,949,990.10 (say: five billion four hundred and fifty-two million nine hundred and forty-nine thousand nine hundred and ninety zlotys 10/100) as follows:
 - a. the amount of PLN1,458,413,446.62 (say: one billion four hundred and fifty-eight million four hundred and thirteen thousand four hundred and forty-six zlotys 62/100) to be allocated for dividend payout to the Company shareholders, which gives a dividend of PLN0.78 (say: zero zloty 78/100) per one Company share,
 - b. the amount of PLN217,281,458.04 (say: two hundred and seventeen million two hundred and eighty-one thousand four hundred and fifty-eight zlotys 04/100) to be allocated to cover the retained loss resulting from changes in accounting policies,
 - c. the remaining amount of PLN3,777,255,085.44 (say: three billion seven hundred and seventy-seven million two hundred and fifty-five thousand eighty-five zlotys 44/100) to be allocated to the supplementary capital.

A dividend may be paid on the basis of the financial result determined in the standalone annual financial statements prepared for statutory purposes, ie. in the Company's case, in accordance with IFRS approved by the European Union. In accordance with the requirements of the Commercial Companies Code (Article 396) public limited company is obliged to create a supplementary capital to cover losses. At least 8 percent of profit for a given financial year, as shown in the company's standalone financial statements, is transferred to this category of capital, until it reaches at least one third of the company's share capital. The use of the supplementary and reserve capitals shall be decided by the General Meeting; however, the part of the supplementary capital equal to one third of the share capital may only be used to cover losses shown in the company's standalone financial statements and may not be distributed to other purposes.

As at 31 December 2014 the value of the share capital of PGE Polska Grupa Energetyczna S.A. amounted to PLN18.697.608.290,00. One third of the share capital is PLN6,232,536,096.66, while the value of supplementary capital of the Company amounts to PLN9,231,370,908.97. The surplus of the supplementary capital exceeding one third of the share capital as at 31 December 2014 amounts to PLN2,998,834,812.31.

Therefore, the Company is not bound by the obligation provided for in the Commercial Companies Code to establish a supplementary capital from the profit for the financial year 2014.

The proposed dividend amounts to PLN1,458,413,446.62 (which represents 40.08 percent of the consolidated net profit belonging to the shareholders of the parent company).

Pursuant to Article 395 § 2 item 2 of the Commercial Companies Code the Ordinary General Meeting should adopt a resolution on distribution of profit or covering of loss, and in accordance with Article 348 § 3 of the Commercial Companies Code and § 43 Clause 5 of the Company Statutes, the Ordinary General Meeting of the Company is required to establish the dividend record date and the dividend payment date.

IV. concerning the appointment of the Members of the Supervisory Board,

The term of office of the current Supervisory Board ended on 31 May 2015. Pursuant to Article 369 § 4 in conjunction with Article 386 § 2 of the Commercial Companies Code, the mandates of members of the Supervisory Board shall expire at the latest at the date of holding the General Meeting approving the financial statements for the last full financial year in which such members of the Supervisory Board fulfilled their functions. Therefore, the mandates of the members of the Supervisory Board of the 9th term of office will expire at the date of holding the Ordinary General Meeting convened for 24 June 2015 which, in accordance with the agenda should examine and approve the appropriate financial statements of the Company. In view of the above, during the Company's Ordinary General Meeting it is necessary to appoint members of the Supervisory Board for the 10th term of office. Pursuant to § 20 Clause 7 of the Company Statutes the members of the Supervisory Board shall be appointed for the joint three-year term of office.

In view of the above, the adoption of the subject resolutions by the Ordinary General Meeting of the Company should be considered justified.