

Justification to the agenda item concerning changes in the Company Statutes of PGE Polska Grupa Energetyczna S.A. presented by the Minister of Energy in a letter dated 21 November 2016, received by the Company on 22 November 2016 .

PGE Polska Grupa Energetyczna S.A. (hereinafter “PGE” or the “Company”) together with the companies belonging to the PGE Capital Group is, with respect to revenues, installed generation capacities and electricity generation volumes, the largest vertically integrated power utility in Poland. Consequently, it is PGE that carries the major burden of performing tasks aimed at ensuring energy security for the Republic of Poland. This objective may be accomplished directly by PGE or through companies in which PGE holds shares.

Taking into consideration this special responsibility of PGE and the PGE Capital Group companies managed by PGE, in September 2016 PGE updated the business strategy of the PGE Capital Group until the year 2020. The updated version of the strategy contains a redefinition of the primary objective of the PGE Capital Group, which now is referred to as “an increase in the Company's value for shareholders and the Company’s key role in ensuring the country's energy security”. In fulfilment of this objective, the PGE Capital Group will do its best to win and maintain the position of the leader in the fields of electricity generation and development of new business models and operating segments. It will also spare no effort to be a reliable and active provider of utilities and related services. The mission of the PGE Capital Group has been redefined as well. Now its mission is to ensure security and development through reliability of supplies, technical perfection, new investments, modern services and partner relationships with customers, which translates directly into energy security of the whole country.

In connection with the above, in order to confirm formally the role of PGE, it is justifiable to include a provision concerning PGE's performance of tasks aimed at ensuring energy security for the Republic of Poland in the Company Statutes.