

A justification for the draft resolution to be considered and voted on by the Extraordinary General Meeting of the company PGE Polska Grupa Energetyczna Spółka Akcyjna ("Company", "PGE") convened for 30 March 2022 on changing the location of the Company's registered office and adopting amendments to the Company Statutes

The rationale for the change of the location of the registered office is the need to take action in the following areas:

- **Ensuring access to talents**

A potential increase in employee turnover (9.5% in 2021) may affect business continuity and reduce the Company's opportunities for effective competition in the market. The risk may materialise due to increasing turnover in the market and the expected talent gap in PGE S.A. resulting from retirement of today's employees aged 55-65. This makes it necessary for PGE S.A. as an employer to open up to a new talent pool.

- **Following leading trends in the labour market**

The COVID-19 pandemic has accelerated previously progressive changes in the methods of work. The acceptance of remote working among employers has increased. Changes in the character of work both require PGE S.A. to adapt to the requirements of the employer of the future and allow for accelerating the dynamics of transformation by opening up more strongly to hybrid and multi-location work.

- **Being close to the customer**

The PGE Group's strategy introduces a unique model aimed at ensuring that its customers are actively involved in the energy transition process. The diversification of PGE's geographic presence and location of part of its decision-making functions in the PGE Group's distribution area will allow it to shorten the distance to the customer and strengthen partnership relations constituting the foundation of the energy transition.

- **Sustainable Transition**

In line with the Group's strategy, PGE S.A. will support the implementation of Sustainable Transition in its financial, environmental and social dimensions. The geographical diversification of operations will support local communities in Lublin and Eastern Poland by creating new jobs, establishing partnership relations.

- **Cost control**

Market changes in the post-COVID world are translating into increased pressure to attract talents, especially in the highly competitive Warsaw market. The average salary growth of 9.8% in 2021 and higher employee turnover create a risk of a more difficult access to human resources and uncontrolled increase in the Company's personnel. In line with the concept of building efficient Shared Services Centres included in the Group's Strategy of 19 October 2020, PGE S.A. has responded to these challenges by locating the newly established Knowledge and Development Centre in Lublin. The proposed change of the location of the registered office will allow the Company to attract new talents to the Lublin market.

On 22 February 2022 the Supervisory Board evaluated positively the aforementioned motion of the PGE Management Board.