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SUBSCRIPTION RULES

*in connection with the issue and offering by PGE Polska Grupa Energetyczna S.A.
of 373,952,165 series E shares with a nominal value of PLN 8.55 each*

This document was prepared by PGE Polska Grupa Energetyczna S.A., with its registered office in Warsaw ("**PGE**", "**Company**"), for the purpose of defining detailed rules for subscription ("**Subscription Rules**") in connection with the public offering of 373,952,165 series E shares with a nominal value of PLN 8.55 each ("**Offered Shares**", "**Series E Shares**").

The public offering of the Offered Shares (the "**Offering**") will be conducted on the basis of Resolution of the Extraordinary General Shareholders Meeting of the Company No. 7 of 6 April 2022 on the reduction of the share capital by decreasing the nominal value of shares and a simultaneous increase of the share capital by way of issuing E series shares in a private placement, depriving the existing shareholders of the entire pre-emptive right to all E series shares, applying for admission and introduction of E series shares or rights to E series shares to trading on the regulated market run by the Warsaw Stock Exchange, dematerialization of E series shares or rights to E series shares and amendment of the Company's Statute ("**Issue Resolution**"). The Issue Resolution constitutes legal basis for the Company to carry out the Offering and the subscription of the Offered Shares. On 6 April 2022 the Company's Management Board, acting pursuant to the authority arising from the Issue Resolution, adopted these Subscription Rules.

The Offering will only be addressed to investors who have received an invitation to participate in the Offering from the investment firm conducting the book building process for the Offered Shares: (i) who are qualified investors within the meaning of Article 1(4)(a) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"), or (ii) each of whom acquires securities with an aggregate

value of at least EUR 100,000 per investor as referred to in Article 1(4)(d) of the Prospectus Regulation (an "**Eligible Investor**" or "**Eligible Investors**").

If the Offering is successful, the Company intends to apply for admission and introduction of the Offered Shares and, subject to satisfaction of the necessary regulatory requirements, of the rights to the Offered Shares (the "**RTS**"), to trading on the regulated market of the Warsaw Stock Exchange ("**WSE**"), where the Company's existing shares are listed ("**Introduction**"). The Subscription Rules do not constitute a prospectus, information memorandum or any other information or offering document required by law in connection with a public offering of securities or admission or introduction of securities to trading on a regulated market. The Offering and the Introduction do not require an issue prospectus or any other information or offering document within the meaning of the relevant legal regulations to be made available to the public by the Company.

No public offering of the Offered Shares will be made in any jurisdiction other than the Republic of Poland. The Offered Shares will be offered only outside the United States pursuant to Regulation S under the U.S. Securities Act of 1933, as amended.

Powszechna Kasa Oszczędności Bank Polski S.A. Branch – Brokerage Office in Warsaw, with its registered office in Warsaw at ul. Puławska 15, 02-515 Warsaw, entered into the Register of Entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register under KRS number 000026438, NIP: 5250007738, REGON: 016298263, acts as the Global Coordinator, Bookrunner and Offering Agent ("**Manager**") in connection with the Offering and the subscription of the Offered Shares.

Eligible Investors holding shares in the Company representing more than 0.10% of the Company's share capital as at the end of 19 February 2022, i.e. the date of registration of participation in the general shareholders meeting ("**Reference Date**"), shall have the right of priority over other Eligible Investors to be allotted such number of Series E Shares as will enable such investors, after the issue of Series E Shares, to maintain their shareholding in the share capital of the Company at a level not lower than the shareholding held by them as at the end of the Reference Date ("**Allotment Priority Right**").

In order to exercise the Allotment Priority Right, the Eligible Investors should (i) confirm their shareholding as at the Reference Date during the book-building process by (a) submitting a certificate or certificates confirming their shareholding, issued by the investment company maintaining the securities account of the relevant investor, or (b) registering the required number of shares for the shareholders meeting, and (ii) express their intention to take up Series E Shares at a price not lower than the issue price of Series E Shares set by the Management Board.

Pursuant to the Issue Resolution, the issue of the Offered Shares shall be effected with the exclusion of pre-emptive rights of the Company's existing shareholders.

It is anticipated that the agreements to subscribe for the Series E Shares will be executed by investors (excluding the State Treasury) and paid into an account held by the Manager on or about 14 April 2022. At the same time, it is anticipated that the subscription agreement for the Series E Shares with the State Treasury will be executed and paid for on or about 21 April 2022. The issue proceeds will be released to the Company upon registration of the increase of the Company's share capital through the issue of Series E Shares by the relevant registry court.

The Company reserves the right to change any of the above dates.

Pursuant to the provisions of the Issue Resolution, the Company's Management Board shall be authorised to withdraw from implementation of this resolution, suspend its implementation, withdraw from execution of the private placement within the meaning of Article 431 § 2 item 1) of the Commercial Companies Code or suspend its implementation at any time. When making the decision on suspension of the subscription of the Offered Shares, the Management Board of the Company may not indicate a new date for its conduct, which may be determined at a later date, subject to the deadline referred to in § 6.3 of the Issue Resolution.

In the event such decision is made, the Company shall publicly announce that the implementation of the Issue Resolution has been waived or suspended, that the private placement within the meaning of Article 431 § 2(1) of the Commercial Companies Code has been waived or suspended.

The book-building process for the Series E Shares will commence immediately following the publication of this material and will be conducted by way of an accelerated book-building procedure, on the terms described below.

The Manager, acting under the authority of the Company, will send to the Eligible Investors invitations to submit declarations of interest in subscribing for the Offered Shares. In order to participate in the book-building process for the Offered Shares, each of the Eligible Investors should conclude (if it is not already a party to such agreement) a relevant agreement for the acceptance and transmission of orders with the Manager.

The Offered Shares will be pre-allocated according to the following rules:

- a) in the first place to the Eligible Investors who submit subscription declarations for the Offered Shares in the number allocated to them under the Allotment Priority Right pursuant to the Issue Resolution;
- b) to the Eligible Investors who submit a subscription declaration for a number of the Offered Shares greater than the number of the Offered Shares allocated to them under the Allotment Priority Right pursuant to the Issue Resolution (in excess of the number of the Offered Shares allocated to them under the Allotment Priority Right) and to other investors who will submit their subscription declarations during the book building process, the Offered Shares will be pre-allocated at the discretion of the Company's Management Board;
- c) In the event that following the completion of the process of accepting subscription declarations for the Offered Shares during the book-building process, there remain Offered Shares not covered by such subscription declarations, the Company's Management Board may, at its discretion, initially allocate such Offered Shares (i) to investors who have already submitted their subscription declarations for the Offered Shares and will express their interest in taking up the Offered Shares in a number higher than that resulting from their initial subscription declarations or (ii) to Eligible Investors other than those indicated in section (i) above, as long as this does not require the publication of a prospectus within the meaning of applicable law or any other information or offering document for the purposes of such offering, following the execution by such investors (if the investor concerned is not already a party to such agreement) of an appropriate agreement for the acceptance and transmission of orders with the Manager

After completion of the book building process, on the basis of the submitted subscription declarations for the Offered Shares, the Management Board of the Company, after consulting the Manager, will set the issue price for the Offered Shares ("**Issue Price**"). The Issue Price will be set at a level not lower than the nominal value of Series E Shares, i.e. PLN 8.55. The Company will publish information about the Issue Price in a current report.

The Company's Management Board will also select the Eligible Investors to whom the Company will make an offer to subscribe for the Offered Shares. While determining the list of such investors (Initial Allocation List), the Company's Management Board will also determine the number of the Offered Shares to be offered to each such investor. Along with the offer to subscribe for the Offered Shares, each Eligible Investor will receive a copy of the share subscription agreement designated for it ("**Share Subscription Agreement**"). The content of the Share Subscription Agreement is not negotiable.

Payment of the total issue price for the Offered Shares (product of the number of Offered Shares and the Issue Price) covered by the Share Subscription Agreement executed by a given Eligible Investor shall be effected by way of a transfer of funds to the account indicated in the Share Subscription Agreement. Payment should be made within the deadline specified in the Share Subscription Agreement. The date of crediting the Manager's account with the total amount of the issue price for the Offered Shares covered by the Subscription Agreement executed by the relevant Eligible Investor shall be deemed the payment date.

Immediately following the closing of the subscription of the Offered Shares, the Company's Management Board will apply to the registry court for registration of the increase of the Company's share capital. Immediately after the registration of the increase of the Company's share capital through the issuance of the Offered Shares by the registry court, the Company's Management Board will take steps to register the Offered Shares subscribed for within the Offering with KDPW (The National Depository for Securities). The Company intends to apply for admission and introduction of all the Offered Shares to trading on the regulated market of the WSE.

If the Management Board makes such decision (and if other necessary requirements under applicable regulations are met), the Company will apply for the admission and introduction of the rights to the Offered Shares to trading on the regulated market of the WSE and will take steps to register them with the KDPW.

If the Offer is successful and the increase of the Company's share capital through the issue of the Offered Shares is registered, the Offered Shares will represent 16.67% of the Company's share capital.

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