

**A justification for the draft resolutions of the Extraordinary General Meeting of the company PGE Polska Grupa Energetyczna Spółka Akcyjna ("Company", "PGE") convened for 4 December 2025**

**I. To amend "The Statutes of PGE Polska Grupa Energetyczna Spółka Akcyjna" and the object of the Company's economic activity.**

The proposed changes to the Company's economic activities result from the Company's obligation to adapt, by the end of 2026, the wording of its economic activities specified in the Statutes to the current wording of the Polish Classification of Activities (PKD) specified in the Regulation of the Council of Ministers of 18 December 2024 on the Polish Classification of Activities (PKD).

The proposed amendments to the Company's Statutes result from the experience gained in the course of their application and the need to adapt their provisions to the Company's operating practice.

In the course of day-to-day operations, areas have emerged where the existing provisions of the Statutes proved to be insufficiently precise or not fully in line with the current economic and organisational realities.

The purposes of the aforementioned amendments to the Statutes are, in particular as follows:

- Clarification of the provisions concerning the functioning of the Company's bodies,
- Improvement of management and organisational processes to ensure greater flexibility of operation while maintaining appropriate corporate standards,
- Organisation of the scopes of activities of the Company's bodies, including the Supervisory Board and the Management Board.

The proposed changes are of an orderly nature. They do not affect the fundamental objectives of the Company's activities or the rights of the shareholders, but serve to ensure a more efficient functioning of the bodies and to adapt the content of the Statutes to the experience resulting from the practice of their application.

**Changes in the list of the Company's economic activities**

Regulation of the Council of Ministers of 18 December 2024 on the Polish Classification of Activities (Journal of Laws item 1936), which came into force on 1 January 2025, adopted the new content of the Polish Classification of Activities (PKD).

Accordingly, all entities entered in the Register of Entrepreneurs of the National Court Register (KRS) are required to adapt the content of their articles of association/statutes to the new content of the Polish Classification of Activities and to submit an appropriate application for data change in the KRS register of entrepreneurs by 31 December 2026 at the latest.

Due to the introduction of the new Polish Classification of Activities (PKD 2025), a technical transposition of the previous PKD 2007 groups, classes and subclasses specified in § 3 of the Company's Statutes into the PKD 2025 groups, classes and subclasses was conducted, and, in consultation with the relevant departments, the Company's economic activities were updated, and it was proposed to remove the activities which the Company does not actually perform and does not plan to perform in the future.

## **Amendments to the powers of the Management Board and the Supervisory Board**

1. Clarification of the Management Board's powers in matters concerning concluding agreements and incurring liabilities, granting powers of attorney, including in the area of trade.

The proposed amendment is to add to the powers of the Management Board a provision requiring the Management Board to adopt resolutions on the conclusion of agreements and incurring liabilities in excess of 400,000 zlotys, with the exclusion of agreements relating in particular to the trade in electricity, natural gas, CO<sub>2</sub> emission allowances, products and related rights, as well as activities on the capacity market, balancing market and in the area of purchase and sale of fuels and production raw materials and combustion products.

With regard to the Management Board's existing power to grant powers of attorney to incur liabilities exceeding PLN 400,000, the change consists in specifying the areas of trade (trade in electricity, natural gas, CO<sub>2</sub> emission allowances, related products and rights, as well as activities on the capacity market, balancing market and in the area of purchase and sale of fuels, production raw materials and combustion products) in matters in which the Management Board does not adopt resolutions each time when granting powers of attorney.

These changes are of an orderly nature as well as due to the specific nature of the Company's core business activities.

The Company's activities in the aforementioned trading markets are characterised by significant volatility of market conditions, high frequency of transactions, short lead times and the need to react immediately to the market situation. Under such circumstances, it would be inefficient for the Management Board to adopt resolutions regarding the conclusion of individual agreements or the incurring of liabilities related to trade transactions in electricity, gas, CO<sub>2</sub> emission allowances or other energy market products and instruments, as well as granting powers of attorney in these matters, and it could delay the decision-making process and expose the Company to the risk of losing favourable commercial terms.

The proposed changes aim to streamline the decision-making process. The introduction of such a solution will provide greater flexibility for the Management Board, adapt decision-making processes to the realities of the energy markets and reduce operational risks associated with decision-making delays. At the same time, due diligence in the conduct of the Company's affairs is not affected, as the above activities will continue to be subject to applicable internal procedures, including risk management policies and internal control systems and compliance.

Simultaneously, the amendments to the Statutes introduce the necessity of obtaining the approval of the Management Board for the conclusion of agreements on the aforementioned matters in the area of trade as well as the granting of powers of attorney in these matters, if the value of the agreement or the liabilities to be incurred exceeds 20% of the total assets within the meaning of the Accounting Act. The criterion based on the fixed nominal value of transactions proved insufficient in the context of the dynamic nature of activities on the electricity, gas, CO<sub>2</sub> emission allowance and related product markets. A fixed value does not take into account price volatility, operational scale or the Company's current financial condition, which may lead to inadequate decision-making constraints. It is therefore proposed to link the level of exemption from the

Management Board's resolution to the value of the Company's balance sheet total. This approach allows the decision threshold to be proportionally adjusted to the current financial situation, ensuring a more efficient and secure management of the contract conclusion process.

2. Clarification of the powers of the Management Board and the powers of the Supervisory Board in the scope of consent to investment undertakings

In accordance with the current wording of the Statutes, the Supervisory Board of the Company shall, among other things, give consent to *investment undertakings concerning or related to a power generation unit or a combined heat and power generation unit with a value exceeding 200,000,000 zlotys, or a distribution network with a value exceeding 20,000,000 zlotys, within the meaning of the Energy Law, to be carried out or co-financed by the Company or to be secured by the Company or on the Company's assets,*

In order to resolve any doubts as to whether the purpose of the provision is for the Management Board to obtain the consent of the Company's Supervisory Board to implement an investment undertaking, or to make a decision on co-financing or securing by PGE S.A. the implementation of the investment by its dependent companies, as well as to clearly structure the decision-making process in the above-mentioned matters by both the Management Board and the Supervisory Board of the Company, the following amendments are proposed:

- 1) Provisions have been added to the Management Board's powers stating that the Management Board's resolution will be required for the implementation of investment undertakings by the Company or the companies directly or indirectly dependent on the Company (within the meaning of the Commercial Companies Code), as well as the implementation of investment undertakings by the companies in which the Company or its directly or indirectly dependent companies hold shares, including investment undertakings co-financed or secured by the Company, or on the Company's assets, with a value exceeding 200,000,000 zlotys, and for investment undertakings concerning or related to the distribution network within the meaning of the energy law, with a value exceeding 40,000,000 zlotys.
- 2) Analogous wording was proposed in the powers of the Supervisory Board, with the reservation that the Supervisory Board's consent is required for investment undertakings implemented by the Company or its dependent companies (as well as companies where PGE S.A.'s capital involvement directly or indirectly does not result in a majority of votes at the shareholders' meeting or the general meeting) if the value of such an undertaking exceeds 500,000,000 zlotys, and for investment undertakings concerning or related to the distribution network within the meaning of the energy law, if the value exceeds 80,000,000 zlotys.

The proposed amendment in the section on the Supervisory Board also includes raising the statutory thresholds.

Considering the following:

- a) Changes in the market environment and price indices over the last decade and forecasts for the next decade,
- b) Ambitions to improve organisational efficiency in the PGE Group Strategy until 2035,
- c) A high level of transparency in the implementation of strategic investments in tendering procedures,

- d) The possibility of accelerating and simplifying the process of obtaining a set of corporate approvals, which has a significant impact on the implementation of investments in accordance with the schedule,

it is recommended to raise the statutory thresholds in the investment area from 40,000,000 zlotys to 80,000,000 zlotys for distribution networks and from 200,000,000 zlotys to 500,000,000 zlotys for other investment undertakings.

The recommended threshold values represent a balanced compromise between providing comfort to the Company's governing bodies in decision-making and overseeing the implementation of the PGE Group's Investment Strategy and enabling the development of the PGE Capital Group through effective obtaining of necessary corporate decisions. Once the amendments to the Statutes have been adopted, the articles of association and statutes of the dependent companies will be adjusted accordingly.

The detailed justification for the change in the statutory thresholds for investment undertakings is contained in the presentation attached to this proposal.

3. Change consisting in exclusion from the powers of the Supervisory Board of granting consent to cash pooling

The proposed amendments to the Company's Statutes relating to the conclusion of agreements on joint financial liquidity management (cash pooling), without the need to obtain the consent of the Company's Supervisory Board, are consistent with the adaptation of the provisions of the Statutes to the operating mechanisms within the PGE Capital Group.

In recent years, a centralised financing model has been introduced at PGE Capital Group. PGE S.A., as the central entity, is responsible for organising and obtaining external financing for the needs of, in principle, the entire PGE CG and distributing these funds to PGE CG companies in the form of loans or cash pooling limits. The implementation of this process in this form makes intra-group loans and cash pooling a tool for more efficient management of PGE CG's financial resources, enabling to manage them smoothly and quickly within the PGE CG, which is highly desirable. The granting of consents for cash pooling will remain the responsibility of the Management Board, while the Company's Supervisory Board will exercise ongoing supervision based on current information received in this area. As before, the powers of the Supervisory Board will comprise giving consent for PGE S.A. to grant or to obtain loans.

4. Change consisting in exclusion from the powers of the Supervisory Board of granting consents regarding the manner of exercising voting rights

The change in the scope of the absence of an obligation to obtain consent of the Supervisory Board for the manner of exercising voting rights by a PGE S.A. representative at shareholders' meetings or general meetings of companies for which PGE S.A. holds the status of the dominant company, on matters related to investment undertakings results from the proposed amendments to the Statutes mentioned in item 2) above. The Company's Supervisory Board will grant its consent to investment undertakings and, thanks to the proposed change, it will not be necessary to obtain the Supervisory Board's consent twice, on two different statutory grounds, for the same matters. The above will simplify and accelerate the process of obtaining the Supervisory Board's consent in the intensified investment process envisaged in the strategy adopted by PGE S.A.

5. Amendment to clarify the provisions of the Statutes on matters relating to the participation of Supervisory Board Members in a meeting by means of direct remote communication, on matters relating to planning documents or donation agreements.

The proposed change to the Statutes, consisting in adding a provision on the possibility for members of the Supervisory Board to participate in meetings using means of direct remote communication, is intended to clarify the permissible form of participation in a convened meeting of the body, using means of direct remote communication.

In its current wording, the Statutes provides for the approval by the Management Board and the Supervisory Board of annual and long-term financial plans, including investment, marketing and sponsorship plans. However, in practice the Company prepares annual financial plans, including investment and sponsorship plans, and this is the wording proposed in the draft Statutes.

The purpose of the proposed amendment is to align the provisions of the Company's Statutes with the management model and planning structure actually implemented in PGE S.A. The amendment is intended to simplify and clarify the provisions of the Statutes so that they reflect the actual scope of the planning documents subject to approval by the Management Board and Supervisory Board.

In addition, the provisions concerning donation agreements for which a resolution of the Management Board is required have been clarified by adding the wording "concluding other agreements with a similar effect". However, in the case of the Supervisory Board, there is a separation into two editorial units of donation agreements and debt release agreements, for which the State Property Management Act requires the consent of the Supervisory Board for two different amounts (i.e. in case of a donation or other agreement with a similar effect - with a value exceeding 20,000 zlotys or 0.1% of the total assets within the meaning of the Accounting Act of 29 September 1994, established on the basis of the latest approved financial statements; whereas in case of releasing from debt or other agreement with a similar effect - with a value exceeding 50,000 zlotys or 0.1% of total assets within the meaning of the Accounting Act of 29 September 1994, established on the basis of the latest approved financial statements).

The remaining amendments are of a clarifying, specifying and editorial nature. They do not have a significant impact on the Company's operating activities.

**II. To adopt the resolutions on changes in the composition of the Supervisory Board.**

Together with the request to convene the Extraordinary General Meeting of PGE, the Minister of State Assets representing the shareholder the State Treasury pursuant to Article 7, clause 2, item 1) of the State Property Management Act of 16 December 2016 (consolidated text, Journal of Laws of 2023, item 973), on the basis of Article 400 § 1 of the Commercial Companies Code Act of 15 September 2000 (consolidated text, Journal of Laws of 2022, item 1476) and § 28, clause 1, item 3 and 4 of the Company's Statutes, requested to place the above-mentioned matter on the agenda. As a justification for the aforementioned request, the Minister of State Assets indicated the shareholders' entitlement to shape the composition of the supervisory body in the Company.

**III. To adopt a resolution concerning the payment of the costs related to the convening and holding of the General Meeting**

Pursuant to 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 share capital shall adopt a resolution determining whether the costs of convening and holding the General Meeting are to be borne by the Company.

On 03 November 2025, the Supervisory Board of PGE S.A. adopted Resolution no. 625/XII/2025, in which it issued a positive opinion on the motion of the Management Board of PGE S.A. to the General Meeting to adopt amendments to the Company Statutes.