



***Extraordinary General Meeting
TAURON Polska Energia S.A.***

Acting pursuant to § 14 section 2 item 15) in reference to § 35 section 1 item 16) of the Articles of Association, the Management Board of TAURON Polska Energia S.A. applies to the General Meeting of TAURON Polska Energia S.A. to adopt resolution on merger of companies Górnośląski Zakład Elektroenergetyczny S.A. with its registered office in Gliwice (Acquired Company) and TAURON Polska Energia S.A. with its registered office in Katowice (Acquiring Company).

Rationale

In reference to the provisions of "Corporate Strategy for the TAURON Group for 2011-2015, with estimates up to the year 2020" which assumes, among other things, streamlining organizational structure of TAURON Polska Energia S.A. Capital Group by establishing one company in each line of business, the Company's Management Board took decision to merge TAURON Polska Energia S.A. with its registered office in Katowice (acquiring Company) and its subsidiary – Górnośląski Zakład Elektroenergetyczny S.A. with its registered office in Gliwice (Acquired Company), in line with the adopted and announced Merger Plan.

The company Górnośląski Zakład Elektroenergetyczny S.A. is responsible in the structures of TAURON Polska Energia S.A. Capital Group for wholesale electricity trading.

Through its subsidiaries, Górnośląski Zakład Elektroenergetyczny S.A. runs operations in the scope of electricity generation and supply, electricity distribution in Upper Silesia, maintenance and operation of power grid in Upper Silesia, supply and marketing of electricity as well as runs integrated shared services' center.

On 13 December 2011 the Management Board of TAURON Polska Energia S.A. concluded with Vattenfall AB agreement for sale of Górnośląski Zakład Elektroenergetyczny S.A. shares. As a result of the transaction TAURON Polska Energia S.A. became the holder of 99.98% shares in equity of Górnośląski Zakład Elektroenergetyczny S.A.

In line with the adopted Merger Plan the subject incorporation will take place in the manner defined in Article 492 § 1 item 1 of Commercial Companies Code, i.e. by transfer of the Acquired Company's entire assets to the Acquiring Company. In addition, considering the provisions of Article 515 § 1 of Commercial Companies Code and in connection with the

buyout of the Acquired Company's shares by the Acquiring Company, as a result of which TAURON Polska Energia S.A. holds 100% shares in equity of Górnośląski Zakład Elektroenergetyczny S.A., the merger of the abovementioned companies will take place without increase of the Acquiring Company' equity.

As a result of the incorporation, the operations of the Acquired Company will be incorporated in the structures of TAURON Polska Energia S.A. It should be noted here that Górnośląski Zakład Elektroenergetyczny S.A. runs operation only in the scope that results from being a holder and supervising as well as exercising corporate rights in relation to companies whose shares it holds. Thus, the merger will allow for more effective management of those assets that will be run from the level of the dominant company and enable further mergers consisting in taking direct control over subsidiaries of Górnośląski Zakład Elektroenergetyczny S.A., including in particular companies whose integration with respective TAURON Group companies is planned (TAURON Dystrybucja GZE S.A., TAURON Sprzedaż GZE sp. z o.o., TAURON Ekoenergia GZE sp. z o.o. and TAURON Obsługa Klienta GZE sp. z o.o.).

Incorporation of Górnośląski Zakład Elektroenergetyczny S.A. is yet another stage of the systematically pursued strategy that anticipates consolidation of TAURON Group companies and will eventually simplify organizational structure and eliminate majority of redundant processes. As a result, the merger will increase transparency of the TAURON Group for investors. Thanks to the merger, the supervisory and management structures will be simplified, which will improve management of the TAURON Group.

As a result of the process, the Acquired Company will be deleted from the Register of Entrepreneurs of the National Court Register in line with Article 493 § 1 of Commercial Companies Code, i.e. without liquidation proceeding.