

Enclosure No. 1
with the Announcement of the Management Board of TAURON Polska Energia S.A.
to convene Ordinary General Meeting of the Company

Proposed amendments to “Articles of Association of TAURON Polska Energia S.A.”

Following the inclusion in the agenda of the Ordinary General Meeting of an item pertaining to the amendments to the Company’s Articles of Association, the Management Board of TAURON Polska Energia S.A. below presents the existing provisions as well as the proposed amendments:

1. Existing wording of § 14 section 2 item 8) of the Articles of Association:

“8) making a donation, cancellation of interest or releasing from debt subject to § 43 section 3 item 1 and 2,”

The existing wording of § 14 section 2 item 8) of the Articles of Association is replaced with the following new wording:

“8) making a donation, cancellation of interest or releasing from debt subject to § 43 section 2 item 1 and 2,”

2. Existing wording of § 18 of the Articles of Association:

“Rules and amount of remuneration of the members of the Management Board are established by the Supervisory Board taking into consideration the binding regulations of law, subject to § 43 section 2 item 1.”

The existing wording of § 18 of the Articles of Association is replaced with the following new wording:

“Rules and amount of remuneration of the members of the Management Board are established by the Supervisory Board taking into consideration the binding regulations of law, subject to § 43 section 1 item 1.”

3. Existing wording of § 20 section 1 item 9) of the Articles of Association:

“9) giving opinions and accepting the rules of conducting sponsoring activity,”

The existing wording of § 20 section 1 item 9) of the Articles of Association is replaced with the following new wording:

“9) giving opinions on the rules of conducting sponsoring activity,”

4. In § 20 section 1 items from 4) to 14) are assigned new numbers, from 5) to 15).

5. In § 20 section 1 new item 4) is added with the following wording:

“4) drafting once a year and presentation to the General Meeting of:

- a) assessment of the company’s standing including an assessment of the internal control, risk management and compliance systems and the internal audit function, covering all significant control mechanisms, in particular financial reporting and operational controls,*
- b) report on the activity of the Supervisory Board, containing at least the following information:*
 - full names of the members of the Supervisory Board and its committees,*
 - fulfilment of the independence criteria by the Supervisory Board members,*
 - number of meetings of the Supervisory Board and its committees,*
 - self-assessment of the Supervisory Board,*
- c) assessment of the Company’s compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities,*
- d) assessment of the rationality of the Company’s policy concerning sponsorship, charity or other similar activities or information about lack of such policy,”*

6. In § 20 section 2 item 8) letter c) the full stop at the end of the sentence is replaced with a comma.

7. In § 20 section 2 new item 9) is added with the following wording:

“9) enter into material agreement with shareholder holding at least 5% of the total number of shares in the Company or a related entity, subject to provisions of section 3.”

8. Existing wording of § 20 section 3 item 2) of the Articles of Association:

“2) establishing the rules of remuneration and the amount of remuneration for the Members of the Management Board, subject to § 43 section 2 item 1,”

The existing wording of § 20 section 3 item 2) of the Articles of Association is replaced with the following new wording:

“2) establishing the rules of remuneration and the amount of remuneration for the Members of the Management Board, subject to § 43 section 1 item 1,”

9. Existing wording of § 20 section 4 of the Articles of Association:

“4. Refusal to grant a permission by the Supervisory Board in issues listed in section 2 as well as section 3 items 7 and 8 requires a written justification.”

The existing wording of § 20 section 4 of the Articles of Association is replaced with the following new wording:

“4. Refusal to grant a permission by the Supervisory Board in issues listed in section 2 as well as section 4 items 7 and 8 requires a written justification.”

10. In § 20 section 3 and section 4 are assigned new numbers, section 4 and section 5.

11. In § 20 new section 3 is added with the following wording:

“3. The requirement referred to in section 2 item 9) is not applicable to typical transactions or transactions concluded on arm’s length basis as part of operating activities performed by the Company with companies that are part of the Capital Group.”

12. In § 30 new section 3 is added with the following wording:

“3. Participation of shareholders in General Meeting using electronic communication, including transmission of the General Meeting in real time, is allowed provided that relevant information has been published about such possibility in the announcement of convening the General Meeting.”

13. Existing wording of § 35 section 1 item 1) of the Articles of Association:

“1) examining and accepting financial report for the previous financial year as well as the Management Board’s report from the Company’s activity,”

The existing wording of § 35 section 1 item 1) of the Articles of Association is replaced with the following new wording:

“1) examining and accepting financial report of the Company and consolidated financial report of the Capital Group for the previous financial year as well as the Management Board’s report on the Company’s activity and the Management Board’s report on the Capital Group’s activity,”

14. Existing wording of § 42 section 3 of the Articles of Association:

“3. Whenever in the Articles of Association an amount is expressed in EURO it shall be understood as an equivalent of this amount expressed in Polish currency, established on the basis of average exchange rate of PLN, announced by the National Bank of Poland on the day preceding passing the resolution by an appropriate body of the Company entitled to give consent to perform actions in connection with which the equivalent is established, subject to § 43 section 3 item 1 of the Articles of Association.”

The existing wording of § 42 section 3 of the Articles of Association is replaced with the following new wording:

“3. Whenever in the Articles of Association an amount is expressed in EURO it shall be understood as an equivalent of this amount expressed in Polish currency, established on the basis of average exchange rate of PLN, announced by the National Bank of Poland

on the day preceding passing the resolution by an appropriate body of the Company entitled to give consent to perform actions in connection with which the equivalent is established, subject to § 43 section 2 item 1 of the Articles of Association.”

15. In § 42 new section 5 is added with the following wording:

“5. Whenever in the Articles of Association a reference is made to a related entity, it shall be understood as a company related in the meaning assigned to that expression in the International Reporting Standards (IRS).”

16. The existing § 43 section 1 is deleted.

17. In § 43 section 2 and section 3 are assigned new numbers, section 1 and section 2.
