

**Ordinary General Meeting
TAURON POLSKA ENERGIA S.A.**

Acting pursuant to § 14 section 2 item 15) in connection with § 35 section 1 item 18) of the Company's Articles of Association, the Management Board of TAURON Polska Energia S.A. presents a motion to the General Meeting of TAURON Polska Energia S.A. to approve of amendments to the Company's Articles of Association concerning a material change in the scope of the Company's operations.

This motion covers expansion of the scope of Company's operations defined in §5 section 1 of the Company's Articles of Association by adding the following items:

1. *(PKD 06.10.Z) Extraction of crude petroleum,*
2. *(PKD 06.20.Z) Extraction of natural gas,*
3. *(PKD 09.10.Z) Support activities for petroleum and natural gas extraction,*
4. *(PKD 09.90.Z) Support activities for other mining and quarrying,*
5. *(PKD 19.20.Z) Manufacture of refined petroleum products,*
6. *(PKD 35.21.Z) Manufacture of gas,*
7. *(PKD 43.13.Z) Test drilling and boring.*

In connection with the above, the Management Board requests that the wording of § 5 section 1 of the Company's Articles of Association be as follows:

"1. Scope of activity of the Company includes:

1. (PKD 06.10.Z) Extraction of crude petroleum,
2. (PKD 06.20.Z) Extraction of natural gas,
3. (PKD 09.10.Z) Support activities for petroleum and natural gas extraction,
4. (PKD 09.90.Z) Support activities for other mining and quarrying,
5. (PKD 19.20.Z) Manufacture of refined petroleum products,
6. (PKD 33.20.Z) Installation of industrial machinery and equipment,
7. (PKD 35.11.Z) Production of electricity,
8. (PKD 35.14.Z) Trade of electricity,
9. (PKD 35.21.Z) Manufacture of gas,
10. (PKD 35.23.Z) Trade of gas through mains,
11. (PKD 35.30.Z) Steam and air conditioning supply,
12. (PKD 42.22.Z) Construction of utility projects for electricity and telecommunications,
13. (PKD 43.13.Z) Test drilling and boring,
14. (PKD 46.18.Z) Agents specialized in the sale of other particular products,
15. (PKD 46.19.Z) Agents involved in the sale of a variety of goods,

16. (PKD 46.51.Z) Wholesale of computers, computer peripheral equipment and software,
17. (PKD 46.52.Z) Wholesale of electronic and telecommunications equipment and parts,
18. (PKD 46.71.Z) Wholesale of solid, liquid and gaseous fuels and related products,
19. (PKD 46.90.Z) Non-specialized wholesale trade,
20. (PKD 49.20.Z) Freight rail transport,
21. (PKD 49.41.Z) Freight transport by road,
22. (PKD 49.50.A) Transport via pipeline,
23. (PKD 50.20.Z) Sea and coastal freight water transport,
24. (PKD 61.10.Z) Wired telecommunications activities,
25. (PKD 61.20.Z) Wireless telecommunications activities, excluding satellite telecommunication,
26. (PKD 61.30.Z) Satellite telecommunications activities,
27. (PKD 61.90.Z) Other telecommunications activities,
28. (PKD 62.01.Z) Computer programming activities,
29. (PKD 62.02.Z) Computer consultancy activities,
30. (PKD 62.03.Z) Computer facilities management activities,
31. (PKD 62.09.Z) Other information technology and computer service activities,
32. (PKD 63.11.Z) Data processing, hosting and related activities,
33. (PKD 63.12.Z) Web portals,
34. (PKD 63.99.Z) Other information service activities n.e.c.;
35. (PKD 64.20.Z) Activities of holding companies,
36. (PKD 64.30.Z) Trusts, funds and similar financial entities,
37. (PKD 64.91.Z) Financial leasing,
38. (PKD 64.92.Z) Other credit granting,
39. (PKD 64.99.Z) Other financial service activities, except insurance and pension funding n.e.c.,
40. (PKD 66.12.Z) Security and commodity contracts brokerage,
41. (PKD 66.19.Z) Other activities auxiliary to financial services, except insurance and pension funding,
42. (PKD 68.20.Z) Rental and operating of own or leased real estate,
43. (PKD 69.20.Z) Accounting, bookkeeping and auditing activities; tax consultancy,
44. (PKD 70.10.Z) Activities of head offices,
45. (PKD 70.21.Z) Public relations and communication activities,
46. (PKD 70.22.Z) Business and other management consultancy activities,
47. (PKD 71.20.B) Technical testing and analysis,
48. (PKD 72.19.Z) Other research and experimental development on natural sciences and engineering,
49. (PKD 73.20.Z) Market research and public opinion polling,
50. (PKD 74.90.Z) Other professional, scientific and technical activities n.e.c.,
51. (PKD 77.33.Z) Rental and leasing of office machinery and equipment (including computers),

- 52. (PKD 77.39.Z) Rental and leasing of other machinery, equipment and tangible goods n.e.c.,
- 53. (PKD 82.20.Z) Activities of call centers,
- 54. (PKD 85.59.B) Other education n.e.c.,
- 55. (PKD 85.60.Z) Educational support activities,
- 56. (PKD 93.19.Z) Other sports activities,
- 57. (PKD 93.29.Z) Other amusement and recreation activities,
- 58. (PKD 95.11.Z) Repair of computers and peripheral equipment,
- 59. (PKD 95.12.Z) Repair of communication equipment.”

Rationale:

The TAURON Group is a vertically integrated power utility company that holds the leading position in generation, distribution and supply of electricity in Poland as well as in Central and Eastern Europe and its structure, based on held assets, allows to run operations across the entire value chain, i.e. from coal mining, through generation, distribution, to supply of electricity to end customers.

Considering the above, the applied model of functioning of the TAURON Group puts particular emphasis on provision of fuels to meet the Group's demand, also through its own fuel extraction sources.

It should be emphasized that the Corporate Strategy for the years 2011-2015 with outlook until 2020, among targets that enable growth of the TAURON Group's value, recommends to focus on growth in those lines of business, where the potential of achieving high return on investments is the highest, i.e. RES and Generation. At the same time, following the need to reconstruct generation capacity, investments in generation assets will be a priority for the TAURON Group. In this view, it should be noted that in the perspective of numerous market and regulatory variables, in order to optimize risks and maximize return rates, the TAURON Group plans to diversify generation portfolio by, among others, adequate selection of technologies on the one hand and development of effective security policy on the other.

In 2011 approximately 98% of capacities installed in the TAURON Group were coal-based and their share will be gradually decreasing in long-term perspective. In accordance with the Corporate Strategy, in 2020 approximately 70% of generation capacity will be coal-based, including 15-20% of new units, and share of low-emission technologies, i.e. based on gas, wind, biomass, biogas and hydroelectric will be approx. 30%, including approx. 17% gas-based technologies.

Effective security policy (in particular referring to fuel supply security) mentioned above, should cover all operations across the value chain of the TAURON Group, starting from provision of anticipated volume of fuel supply from own sources, to providing the largest possible volume of electricity sold to end customers from own generation units. This policy should in particular guarantee secure functioning of our own assets in the Generation Segment, by providing fuel supply from our own sources and keeping its price at an acceptable level.

Considering the above, in particular the planned diversification of generation portfolio by current and planned investment activities connected with construction of generation capacity

based on gas technologies, provision of fuels is a vital issue in long-term perspective, with consideration of potential possibility of using domestic sources of fuel, including gas extracted from unconventional sources (with particular emphasis on the so-called shale gas). The importance of the above comes from the fact that total demand of the TAURON Group for gas fuel per year is estimated at the level that may achieve up to 2.5 billion m³ per year until 2020.

In addition, as indicated above, in accordance with the Corporate Strategy, by 2020 17% of installed capacities of the TAURON Group should be based on gas technologies.

That is why the perspective of diversification of fuel supply sources has become one of the major goals of the Company, also in relation to gas-based generation units, with simultaneous winning of our own gas fuel, also from unconventional sources. The above fits in the adopted model of the TAURON Group that, within the value chain, provides the possibility of securing fuel supply from our own sources.

It should be stressed that diversification of TAURON Group's generation portfolio consisting of increasing share of gas-based capacities is in line with market trends and the policy of the European Union that promotes investments in renewable energy sources and low CO₂ emission technologies. In this view, trends can be observed connected with promoting gas as a more environment-friendly (i.e. emitting less CO₂) fuel than hard coal or lignite.

Considering the above, as well as recently observed intensified exploration of the so-called shale gas and perspectives of its extraction in Poland that would be a chance for optimization of operational efficiency of TAURON Group's generation assets based on domestic resources of shale gas, the Management Board took actions connected with involvement of the TAURON Group in exploration and extraction of gas from unconventional sources. New competencies in the TAURON Group, based on extraction and trading in gas, will strengthen TAURON's position as the leader in the energy sector, that is open to new technologies and market challenges. In addition, considering low-competitive nature of the gas market in Poland and lack of diversification of fuel supplies, active participation in development of this market and directions of its development is a good opportunity for the TAURON Group. Moreover, by exploration and extraction of its own fuel the TAURON Group could have influence on reduction of gas prices for its own generation units under construction, e.g. by increased demand on domestic market.

To implement the assumptions presented above it is necessary to expand the Company's scope of operations in accordance with the Polish Classification of Economic Activities specified in the Decree of the Council of Ministers of 24 December 2007 on Polish Classification of Economic Activities (Journal of Laws of 2007, No. 251, item 1885 as amended) by adding activities that allow for exploration and extraction of gas, including shale gas. At the same time, due to diversification in the scope of activities covering extraction and processing of other hydrocarbons, as a complementary element of the process of gas extraction for the purpose of TAURON Group's generation units, including unconventional sources, expansion of the Company's scope of operations should include the possibility of extraction and processing of other hydrocarbons, in particular natural gas and crude oil.

Due to the fact that neither TAURON Polska Energia S.A. nor any of its subsidiaries had run operations in the subject scope before, the described amendment will be a major one, and

its adoption requires that a special mode of passing resolutions be applied as defined in Commercial Companies Code.

It should be noted that the necessity to amend the Company's Articles of Association appears both, in the case when economic activity in the scope of hydrocarbons' exploration or extraction, including shale gas, will be run by the Company itself as well as in the case when such activity will be run together with an entity dealing with gas exploration and extraction for a large scale.

Amendment to the Articles of Association of TAURON Polska Energia S.A. will enable the Company to take further actions resulting in the Company's entrance in a new scope of operation, and at the same time expanding the Group's value chain by building and development of competencies in the scope of gas exploration, extraction and trading. Increased diversification of the Group's operations will lower the risk connected with running economic activities by providing supplies to gas-based generation units planned by the Group, for the purpose of retail supply and wholesale trading and at the same time providing fuel for its own needs at more stable prices.

Please note that activities of the Management Board of TAURON Polska Energia S.A. related to TAURON Group's involvement in exploration and extraction of gas from unconventional sources have been approved by the Supervisory Board of TAURON Polska Energia S.A.