



***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 PKE Broker Spółka z ograniczoną odpowiedzialnością (Ltd.) with its registered office in Katowice (Acquired Company) and TAURON Polska Energia S.A. with its registered office in Katowice (Acquiring Company).

***Rationale***

The underlying objective of the subject Merger is to streamline the organizational structure of the Issuer's Capital Group in line with the provisions of "Corporate Strategy for the TAURON Group for 2011-2015, with estimates up to the year 2020" which assumes consolidation of companies within the Issuer's Capital Group. The Issuer's Management Board claims that the Merger will help simplify organizational structures, including supervisory and management structures, which in turn will facilitate management and eliminate majority of redundant processes, and at the same time lower the costs of operation.

The Merger will bring about administrative and organizational financial savings, thanks to reduced number of management and supervisory bodies. Thanks to the merger, subordinated debt will be optimized (leasing will be transferred to TAURON Polska Energia S.A. in line with the centralized funding model, which will lead to elimination of subordinated debt and improve debt ratios applied in agreements with European Investment Bank).

Moreover, thanks to the Merger, the effects of synergy of integration processes will be used, and business processes will be simplified and improved through, among other things, elimination of overlapping processes. As a result, the Merger will increase transparency of the TAURON Group. The Merger will be carried out in line with Article 492 § 1 item 1) of Commercial Companies Code, i.e. by transfer of the Acquired Company's entire assets to the Acquiring Company. Considering the fact that the Acquiring Company holds 100% shares in equity of the Acquired Company, the merger will take place in line with the provisions of Article 515 § 1 of Commercial Companies Code, i.e. without increase of the Acquiring Company' equity. The Acquiring Company's Articles of Association will not be amended. The Merger will take place pursuant to Article 516 § 6 of Commercial Companies Code, in so-called simplified mode, i.e. without having the Merger Plan examined by a certified auditor.

Considering the above, the Issuer's Management Board is of the opinion that the Merger is reasonable from the strategic, operational, cost-related and as a result, also business perspective.