



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

***Proposed amendments to the Articles of Association
of TAURON Polska Energia S.A.***

Following the inclusion in the agenda of the Extraordinary 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 wording of the proposed amendments:

1) Existing wording of § 14 section 2 item 6):

"6) accepting annual non-cash and financial plans as well as long-term plans and strategy of the Company,"

Proposed wording of § 14 section 2 item 6):

"6) accepting annual non-cash and financial plans of the Company and the Capital Group as well as Corporate Strategy of the Capital Group,"

2) Existing wording of § 15:

"It is the Management Board's duty to prepare plans which are specified in § 14 section 2 item 6 and submit them to the Supervisory Board for giving its opinion."

Proposed wording of § 15:

"It is the Management Board's duty to prepare plans which are specified in § 14 section 2 item 6 and submit them to the Supervisory Board for approval."

3) Existing wording of § 20 section 1 item 7):

"7) defining the scope and dates of submitting by the Management Board annual non-cash and financial plans as well as long-term strategic plans,"

Proposed wording of § 20 section 1 item 7):

"7) defining the scope and dates of submitting by the Management Board annual

non-cash and financial plan for the Company and the Capital Group,”

4) Existing wording of § 20 section 1 item 8):

“8) giving opinions on long-term plans as well as Company and Capital Group’s strategies,”

Proposed wording of § 20 section 1 item 8):

“8) giving opinion on the Capital Group’s Corporate Strategy,”

5) Existing wording of § 20 section 1 item 10):

“10) giving opinions on the annual plan of conducting sponsoring activity as well as quarterly reports from its realization,”

Proposed wording of § 20 section 1 item 10):

“10) giving opinions on the annual plan of conducting sponsoring activity as well as annual report from its realization,”

6) Existing wording of § 20 section 2 item 1):

“1) purchase property, perpetual usufruct or shares in property or in perpetual usufruct of the value exceeding the equivalent of EURO 5,000,000 in PLN,”

Proposed wording of § 20 section 2 item 1):

“1) purchase property, perpetual usufruct or shares in property or in perpetual usufruct of the value exceeding the equivalent of EURO 5,000,000 in PLN, except for property, perpetual usufruct or shares in property or in perpetual usufruct purchased from the Companies of the Capital Group,”

7) Existing wording of § 20 section 2 item 2):

“2) acquire components of fixed assets, except for property, perpetual usufruct or share in property or in perpetual usufruct, bonds issued by Companies from the Capital Group, with the value exceeding the equivalent of EURO 5,000,000 in PLN,”

Proposed wording of § 20 section 2 item 2):

“2) acquire components of fixed assets, except for property, perpetual usufruct or

share in property or in perpetual usufruct, bonds issued by Companies from the Capital Group and other components of fixed assets purchased from the Companies of the Capital Group, with the value exceeding the equivalent of EURO 5,000,000 in PLN,”

8) Existing wording of § 20 section 2 item 3):

“3) disposal of components of fixed assets including property, perpetual usufruct or share in property or in perpetual usufruct with the value exceeding the equivalent of EURO 5,000,000 in PLN,”

Proposed wording of § 20 section 2 item 3):

“3) disposal of components of fixed assets including property, perpetual usufruct or share in property or in perpetual usufruct with the value exceeding the equivalent of EURO 5,000,000 in PLN, except for property, perpetual usufruct or shares in property or in perpetual usufruct and other components of fixed assets that will be sold or encumbered to the benefit of Companies from the Capital Group by way of decree,”

9) Existing wording of § 20 section 2 item 7):

“7) taking up or acquiring stocks or shares in other companies of the value exceeding the equivalent of EURO 5,000,000 in PLN except for situations, when taking up of stocks or shares of these companies takes place in exchange for the liabilities of the Company as a part of conciliatory or liquidation proceedings,”

Proposed wording of § 20 section 2 item 7):

“7) taking up or acquiring stocks or shares in companies other than Companies from the Capital Group of the value exceeding the equivalent of EURO 5,000,000 in PLN except for situations, when taking up of stocks or shares of these companies takes place for the liabilities of the Company as a part of conciliatory or liquidation proceedings,”

10) In § 20 section 2 item 8) letter b) the dot at the end of the sentence is replaced by a comma.

11) In § 20 section 2 item 8) letter c) is added with the following wording:

“c) disposal of stocks or shares to the benefit of Companies from the Capital Group,”

12) In § 20 section 2 item 9) is added with the following wording:

“9) signing agreements by the Company for construction or launching of cross-border connection with power systems in other countries.”

13) In § 20 section 3 item 9) letter b) the dot at the end of the sentence is replaced by a comma.

14) In § 20 section 3 item 9) letters c), d), e) are added with the following wording:

“c) purchase of components of fixed assets with the value exceeding the equivalent of EURO 50,000,000 in PLN related to execution of investments in the scope of generation or cogeneration units,

d) purchase of components of fixed assets with the value exceeding the equivalent of EURO 50,000,000 in PLN related to execution of investments in the scope of distribution grids,

e) purchase of components of fixed assets with the value exceeding the equivalent of EURO 50,000,000 in PLN related to execution of investments in the scope of exploration for and evaluation of mineral deposits or extraction of minerals from deposits.”

15) In § 20 section 5 is added with the following wording:

“5. Approval of non-cash and financial plans referred to in § 14 section 2 item 6) by the Supervisory Board does not require, respectively:

a) Supervisory Board’s permission to sell components of fixed assets referred to in § 20 section 2 items 1) and 2),

b) specification by the Supervisory Board of the manner of exercising the right to vote at the General Meeting of companies, in which the Company holds more than 50% of shares, in matters referred to in § 20 section 2 item 1) and 2) and section 3 item 9) letters c) – e),

provided that the Supervisory Board approved and included actions referred to in § 20 section 2 items 1) and 2) and section 3 item 9) letters c) – e) in non-cash and financial plans referred to in § 14 section 2 item 6).”

16) Existing wording of § 27 section 4:

“4. The Supervisory Board may pass resolutions in a written mode or by using means of direct distance communication, subject to art. 388 § 4 of the Code of

Commercial Companies. Passing a resolution in this way requires a justification as well as a prior submitting of a draft of the resolution to all members of the Supervisory Board.”

Proposed wording of § 27 section 4:

“4. The Supervisory Board may pass resolutions in a written mode or by using means of direct distance communication, subject to art. 388 § 4 of the Code of Commercial Companies. Passing a resolution in this way requires prior submission of a draft of the resolution to all members of the Supervisory Board.”

17) Existing wording of § 29 section 5:

“5. The Company covers costs borne in connection with performing by the members of the Supervisory Board functions entrusted to them, especially costs of transport to the Supervisory Board’s meeting, cost of performing individual supervision, cost of accommodation and catering.”

Proposed wording of § 29 section 5:

“5. The Company covers also costs borne in connection with performing by the members of the Supervisory Board functions entrusted to them, especially costs of transport from the place of residence to the place where Supervisory Board’s meeting or Supervisory Board Committee’s meeting is held and back, cost of performing individual supervision, cost of accommodation and catering.”

18) In § 42 section 4 is added with the following wording:

“4. Whenever reference is made in the Articles of Association to:

- 1) Capital Group – it should be understood as a capital group in line with the definition provided in the Accounting Act,
- 2) generation unit – it should be understood as a generation unit in line with the definition provided in the Energy Law,
- 3) cogeneration unit – it should be understood as a cogeneration unit in line with the definition provided in the Energy Law,
- 4) distribution grid – it should be understood as a distribution grid in line with the definition provided in the Energy Law,
- 5) mineral deposit, exploration for, evaluation or extraction of minerals from

deposits – it should be understood as exploration for, evaluation or extraction of minerals from deposits in line with the definition provided by the Geological and mining Law.”
