

Gdańsk, 5 January 2016

EIB Report on Corporate Governance Principles

Information on non-application of certain principles of the Best Practices of WSE Listed Companies 2016 by ENERGA SA

In connection with the effective date of the “Best Practices of Warsaw Stock Exchange Listed Companies 2016” („Best Practices”), which constitute Attachment to Resolution No. 26/1413/2015 adopted on 13 October 2015 by the Supervisory Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange), the Management Board of ENERGA SA (“Company”, “ENERGA”) hereby reports that it accepts and will apply the corporate governance principles set forth in that document, with the exception of:

- Detailed principle I.Z.1.20 concerning the transmission of general meetings – the current wording of the Company’s Articles of Association does not envisage the use of the means of electronic communication during general meetings and a decision whether or not to use them is conditional upon such a request being made by a larger group of ENERGA SA’s shareholders. In such a case, the Company will consider all the possible and available solutions, among others based on market practices. At this point, the Company would like to note that a proposal to introduce provisions in the Company’s Articles of Association that would allow for a real-time transmission of a General Meeting was considered by the Extraordinary General Meeting convened on 15 December 2014, but no resolution was adopted in this matter. Accordingly, detailed principles I.Z.1.16 and IV.Z.2 do not apply.

- Principle III.Z.3 – the Company does not meet the requirement of standard 1110-1 only in respect to the organizational independence, that is appointment and dismissal of an Internal Audit Head and approval and changes of his/her remuneration. The standard mentioned above is defined in the International Standards for the Professional Practice of Internal Auditing by the Institute of Internal Auditors. Additionally the Internal Audit Head is not functionally subordinated to the Supervisory Board.

Additionally, the Company is currently analyzing the following principles: I.Z.1.14, II.Z.1 (and linked with it I.Z.1.3), II.Z.10.3, II.Z.10.4, V.Z.6, VI.Z.1, VI.Z.4. Following the analysis, the Company will update its position in this respect.

ENERGA also reports that since no decision on the publication of projections has been made, in light of the Finance Minister’s regulation on current and periodic information of 24 February 2009, detailed principle I.Z.1.10 will not be applied.

The Management Board intends to recommend the observance of the Best Practice principles to the Supervisory Board and to the Shareholder Meeting. The decision whether or not to observe some of the principles set forth in the Best Practices will be made by the Company’s shareholders and by the Supervisory Board.

Legal basis: § 29 section 3 of the WSE Rules.