

Gdańsk, 1 September 2014

**General Meeting
ENERGA Spółka Akcyjna**

**MOTION
OF THE MANAGEMENT BOARD OF ENERGA SPÓŁKA AKCYJNA**

The Management Board of ENERGA SA, acting pursuant to § 26.1.3 of the Articles of Association of the Company, hereby requests a consent for:

- 1) divestment by ENERGA SA to ENERGA Invest SA of non-current assets related to implementation of the Vistula Project, i.e. documentation of the Vistula Project, prepared by Ove Arup & Partners International Limited of Great Britain, operating in Poland as a branch of a foreign entrepreneur under the trading name of Ove Arup & Partners International Limited Sp. z o.o. Oddział w Polsce [*Branch in Poland*] with its registered office in Warsaw, for the total net price not lower than PLN 31,447,863.44 (say zlotys: thirty one million four hundred forty seven thousand eight hundred and sixty three 44/100),
- 2) assignment to ENERGA Invest SA of all the rights and obligations arising out of the agreement concluded on 9 March 2010 between ENERGA SA and Ove Arup & Partners International Limited of Great Britain, operating in Poland as a branch of a foreign entrepreneur under the trading name of Ove Arup & Partners International Limited Sp. z o.o. Oddział w Polsce with its registered office in Warsaw, the subject of which is preparation of the documentation necessary to build the dam and the power station on the Vistula river downstream Włocławek.

JUSTIFICATION

The project to build the second stage with the hydro-electric power station downstream Włocławek (Vistula Project, Project) is a project that has been carried out in the ENERGA Group since 2009. It was included in the Long-Term Strategic Investment Plan (WPIS) of the ENERGA Group, and is scheduled to be performed until the environmental permit is obtained.

The project was established in ENERGA SA and then passed for performance to ENERGA Invest SA, which in accordance with the concept adopted in the ENERGA Group, was entrusted the function of the substitute investor for all the investment projects in the area. The agreement concluded between the Companies addressed performance of Project activities on behalf of ENERGA SA and professional support for ENERGA SA during preparation for the implementation. This includes in particular:

- 1) representing ENERGA SA in relations with public administration bodies and potential subcontractors,
- 2) co-ordination of works of the entities hired by ENERGA SA,
- 3) performance of any other activities aimed at execution of contracts, related to Project implementation.

The Vistula Project is one of the most multi-layered and complex infrastructural projects in Poland. The ultimate objective of the project is to ensure public safety in the area of stage of fall on the Vistula River in Włocławek, using the power of water and improving the potential of aquatic ecosystems and dependent groundwater. The public safety objective in the region of the stage of fall in Włocławek will be fulfilled by permanently protecting it from disaster and increasing flood safety in the area of the Project. As a supra-regional project which enables implementation of actions in the field of flood control, navigation development, tourism, transport etc., the Project will require involvement of partners and public funds.

On 9 March 2010, ENERGA SA concluded an agreement with Ove Arup & Partners International Limited of Great Britain, operating in Poland as a branch of a foreign entrepreneur under the trading name of Ove Arup & Partners International Limited Sp. z o.o. Oddział w Polsce with its registered office in Warsaw (hereinafter: Ove Arup & Partners), the subject of which is preparation of the documentation necessary to build the dam and the power station on the Vistula river downstream Włocławek in order to obtain the environmental permit. The documentation is necessary to obtain the environmental permit for the Project and a positive opinion of the European Commission. Obtaining a positive environmental permit is the condition necessary for further works and launching the building design.

In accordance with § 17.3 of the agreement, ENERGA SA is entitled to assign all or part of the rights under the agreement to entities related in capital terms with ENERGA SA.

Considering the role of ENERGA Invest SA in the Project-related works, the Steering Committee of the Vistula Project recommended that the Project be managed by ENERGA Invest SA project team, as part of a separated, dedicated structure. Therefore, the Project had to be moved to that Company. In the current situation, the optimum solution would be to close a transaction of sale of non-current assets related to Project implementation to ENERGA Invest SA. The subject of the transaction will not be expenses posted as fixed assets or intangible assets, but only capitalised costs of Project preparation.

This concept inscribes within actions related to development of the ENERGA Group based on Segments for which Companies, Segment Leaders, are responsible in business and organizational terms. Division of responsibilities among the managing company ENERGA SA and Segment Leaders and definition of mutual relations in the Group are specified by the Organizational Governance of the ENERGA Group. ENERGA Invest SA functions within structures of the Generation Segment and is a 100% subsidiary of the Segment Leader, i.e. ENERGA Wytwarzanie SA.

In January 2014, Ernst & Young Sp. z o.o. Business Advisory sp. k. performed valuation of non-current assets in the Vistula Project. As at 31 December 2013 its total value was estimated at PLN 30,587,548.16 net, using the method of adjusted net assets. This value was identical to the sum of total capitalised expenses incurred by ENERGA SA for Project development until the end of 2013. Since then, ENERGA SA has additionally incurred costs of PLN 860,315.28 net, and the total Project value as at 31 July 2014 was PLN 31,447,863.44 net.

In consideration of the above, we request as at the beginning.

The Management Board of ENERGA SA

Mirosław Bieliński

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Roman Szyszko

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Wojciech Topolnicki

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