

**General Meeting
ENERGA Spółka Akcyjna****MOTION
OF THE MANAGEMENT BOARD OF ENERGA SPÓŁKA AKCYJNA**

The Management Board of ENERGA SA, acting pursuant to § 26.1.2. of the Articles of Association of ENERGA SA, hereby requests a consent to purchase non-current assets in the form of:

- 1) additional long-term bonds issued by ENERGA-OPERATOR SA with the nominal value of PLN 100,000,000.00 (say zlotys: one hundred million) and for this purpose to amend § 1 of Resolution No. 1 of the Extraordinary General Meeting of the Company of 18 October 2012 on granting the consent to purchase non-current assets in the form of long-term bonds issued by ENERGA-OPERATOR SA,
- 2) long-term bonds issued by ENERGA-OPERATOR SA of up to PLN 276,000,000.00 (say zlotys: two hundred seventy six million),

under terms and conditions described in the draft resolution of the General Meeting of ENERGA SA, attached as Appendix 1 to this motion.

JUSTIFICATION**1. Justification to the request described in point 1 of the preamble to this motion**

Currently, ENERGA-OPERATOR SA runs a bond issue program:

- 1) long-term bonds for the total amount of PLN 2,050 million (established on the basis of resolutions of the General Meeting of the Company of 3 December 2009 and 26 August 2011) for financing of the Investment Program implemented from 2009 to 2011. In December 2012 ENERGA-OPERATOR SA made the first redemption of these bonds. The final maturity of all bonds issued under the programme falls in 2025 (according to the current conditions of the issue);
- 2) short-term bonds to the total amount of PLN 750 million (launched on the basis of a resolution of the General Meeting of the Company of 20 July 2012) – at present, the bonds are not being issued;
- 3) long-term bonds to the total amount of PLN 2,700 million (established on the basis of a resolution of the General Meeting of the Company of 20 July 2012). Under the program, bonds were issued for the total amount of PLN 1,940 million to finance the Investment Program implemented from 2012 to 2015. The original plan of investment expenses for these years, presented when applying for the consent to issue bonds, amounted to PLN 5,200 million (in 2012 prices). The total maximum value of the bonds specified in the program (PLN 2,700 million) was the result of demand for external financing, in accordance with the then Long-Term Financial Model. ENERGA SA obtained the corporate consents to purchase such bonds also to the amount of PLN 2,700 million.

In accordance with the financial policy in force in the ENERGA Group and the Financing Organization Agreement concluded on 9 August 2012 with ENERGA-OPERATOR SA, ENERGA SA was responsible for provision of investment financing to ENERGA-OPERATOR SA. For this purpose, the company secured funds by obtaining in the financial market:

- a) PLN 1,000 million through the issue of 7-year bonds of ENERGA SA,
- b) PLN 1,000 million in the form of a long-term loan from the European Investment Bank (EIB), where ENERGA SA and ENERGA-OPERATOR SA are parties to the agreement,
- c) PLN 800 million in the form of a long-term loan from the European Bank for Reconstruction and Development (EBRD), where ENERGA SA and ENERGA-OPERATOR SA are parties to the agreement,

a total of PLN 2,800 million, i.e. PLN 100 million more than the established long-term bond issue program. The deadline for the use of funds obtained by ENERGA SA is February 2016. Negotiations conducted by ENERGA SA with financial institutions were completed when ENERGA-OPERATOR SA obtained corporate consents for the issue of long-term bonds in the amount of PLN 2,700 million, and ENERGA SA obtained the consent to purchase them. In order to use the full amount of the structured finance, ENERGA SA and ENERGA-OPERATOR SA must obtain relevant decisions of the General Meetings.

Consequently, it will be possible to make full use of financing by ENERGA SA and to transfer the funds to ENERGA-OPERATOR SA through the acquisition of long-term bonds.

2. Justification to the request described in point 2 of the preamble to this motion

Due to the changing conditions in the financial market associated with a drop in bank margins, ENERGA SA undertook, inter alia, negotiations on the loan agreement with the EBRD concluded on 29 April 2009, in the amount of PLN 800 million, granted to finance the investment programme being implemented by ENERGA-OPERATOR SA and associated with the expansion and modernization of the distribution network. The loan amount was transferred to ENERGA-OPERATOR SA through the acquisition of long-term bonds. The funds raised under the loan agreement come from:

- EBRD in the amount of PLN 300 million (part a),
- commercial banks in the amount of PLN 500 million (part b).

As a result of the negotiations:

- 1) the loan margin will be reduced from the current:
 - 2.0 percentage points part a,
 - 1.8 percentage point for part b,to 1.25 percentage point for both parts,
- 2) the final maturity of the loan will extend from the current:
 - 2021 for part a,
 - 2018 for part b,to 2024 for both parts,
- 3) The ENERGA Group will obtain refinancing of the loan instalments repaid to date in the total amount of PLN 276 million.

The result of optimization activities has been positive for the ENERGA Group and will total, including fees, commissions, and the value of money over time, approx. PLN 8 million.

Also, on 1 September 2014, the Management Board of ENERGA SA, passing Resolution No. 796/III/2014, decided to conclude an annex to the said loan agreement with the EBRD. As a result, the original amount of financing may be increased to a maximum of PLN 880 million, and its final maturity will be extended to December 2024.

In order to conclude the annex, the following consents were granted by:

- 1) the Supervisory Board of ENERGA SA – Resolution No. 56/IV/2014 of 29 September 2014 on the granting of consent to enter into material contracts with ENERGA-OPERATOR SA and the International Financial Institutions,
- 2) General Meeting of ENERGA-OPERATOR SA – Resolution No. 2 of 3 October 2014 on the granting of consent to conclude an annex to the loan agreement with the European Bank for Reconstruction and Development and ENERGA SA.

These modifications to the debt financing parameters determine the terms of issue of bonds issued by ENERGA-OPERATOR SA, therefore the request was made for the decisions on the issue of long-term bonds for an additional amount of PLN 276 million.

3. Summary

ENERGA-OPERATOR SA has updated its original assumptions for the Investment Program implemented in the years 2012-2015 and as a result (in consultation with ENERGA SA) decreased the level of expenditure by PLN 200 million in 2014 and by PLN 250 million in 2015.

Taking into account the changes in the value of planned expenses on the Investment Program implemented in the years 2012-2015 of PLN 4,750 million and following acquisition of additional financing which is the subject of this motion at PLN 376 million, the structure of the financing of the investment programme will be as follows:

No.	Description	Units	Primary assumptions	Updated assumptions
1.	Investment program	PLN million	5,200	4,750
2.	Third party equity (interest bearing)	PLN million	2,700	3,076
3.	Share of third party equity in expenses	%	51.9	64.8

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

Appendices:

1. Draft resolution of the Extraordinary General Meeting of ENERGA SA on granting the consent to purchase non-current assets in the form of long-term bonds issued by ENERGA-OPERATOR SA.
2. Resolution No. 1 of the Extraordinary General Meeting of the Company of 18 October 2012 on granting the consent to purchase non-current assets in the form of long-term bonds issued by ENERGA-OPERATOR SA.

For the Management Board of ENERGA SA

Mirosław Bieliński [illegible signature]

Wojciech Topolnicki [illegible signature]

**RESOLUTION No.
of the Extraordinary General Meeting
of: ENERGA Spółka Akcyjna with its registered office in Gdańsk
of ... 2014**

on: granting the consent to purchase non-current assets in the form of long-term bonds issued by ENERGA-OPERATOR SA

Acting pursuant to § 26.1.2 of the Articles of Association of the Company, it is passed as follows:

§ 1

The Extraordinary General Meeting grants its consent to purchase non-current assets in the form of:

- 1) long-term bonds issued by ENERGA-OPERATOR SA with the total nominal value of up to PLN 276,000,000.00 (say zlotys: two hundred seventy six million), under the following framework conditions:

1) product:	domestic bonds,
2) total maximum value of bonds issued in the program	PLN 276,000,000.00 (say zlotys: two hundred seventy six million),
3) time limit for the agreement on bond issue	up to 20 years,
4) time of issue of individual series of bonds	up to 15 years,
5) nominal value of a single bond	PLN 100,000.00 (say zlotys: one hundred thousand),
6) bondholder	ENERGA SA,
7) additional terms and conditions	bonds yield interest based on rates applied by institutions which finance ENERGA SA, increased by financing service costs incurred or planned by ENERGA SA,
8) issue backing	none;

- 2) additional long-term bonds issued by ENERGA-OPERATOR SA with the nominal value of PLN 100,000,000.00 (say zlotys: one hundred million) and for this purpose it decides to amend § 1 of Resolution No. 1 of the Extraordinary General Meeting of the Company of 18 October 2012 on granting the consent to purchase non-current assets in the form of long-term bonds issued by ENERGA-OPERATOR SA, recorded in the notarial deed, Repertory A No. 6223/2012, drawn up by Notary Zbigniew Kundo, running his Notary Office in Gdańsk at ul. Grunwaldzka 102, to read anew as follows:

‘§1

A consent is granted for the purchase of non-current assets in the form of long-term bonds issued by ENERGA-OPERATOR SA with the total nominal value of up to PLN 2,800,000,000.00 (say zlotys: two billion eight hundred million), under the following framework conditions:

<i>I. Product:</i>	<i>Domestic bonds</i>
<i>II. Total maximum value of bonds issued in the program</i>	<i>PLN 2,800,000.00 (say zlotys: two billion eight hundred million)</i>
<i>III. Time limit for the agreement on bond issue</i>	<i>up to 20 years</i>
<i>IV. Time of issue of individual series of bonds</i>	<i>up to 15 years</i>
<i>V. Nominal value of a single bond</i>	<i>PLN 100,000.00 (say zlotys: one hundred thousand)</i>
<i>VI. Bondholder</i>	<i>ENERGA SA</i>
<i>VII. Additional terms and conditions</i>	<i>Bonds yield interest based on rates applied by institutions which finance ENERGA SA, increased by financing service costs incurred or planned by ENERGA SA</i>
<i>VIII. Issue backing</i>	<i>None’</i>

§3

This resolution shall come into effect on the day of its adoption.

**RESOLUTION No. 1
of the Extraordinary General Meeting
of: ENERGA Spółka Akcyjna with its registered office in Gdańsk
of 18 October 2012**

on: granting the consent to purchase non-current assets in the form of long-term bonds issued by ENERGA-OPERATOR SA

Acting pursuant to § 26.1.2 of the Articles of Association of the Company, it is passed as follows: -----

§ 1

A consent is granted for the purchase of non-current assets in the form of long-term bonds issued by ENERGA-OPERATOR SA with the value not lower than PLN 2,700,000,000.00 (say zlotys: two billion seven hundred million), under the following framework conditions:

I. Product:	Domestic bonds
II. Total maximum value of bonds issued in the program	PLN 2,700,000.00 (say zlotys: two billion seven hundred million)
III. Time limit for the agreement on bond issue	up to 20 years
IV. Time of issue of individual series of bonds	up to 15 years
V. Nominal value of a single bond	PLN 100,000.00 (say zlotys: one hundred thousand)
VI. Bondholder	ENERGA SA
VII. Additional terms and conditions	Bonds yield interest based on rates applied by institutions which finance ENERGA SA, increased by financing service costs incurred or planned by ENERGA SA
VIII. Issue backing	None'

§2

This resolution shall come into effect on the day of its adoption.

Resolution No. 1 was adopted in an open voting – 4,182,744,801 votes FOR, no votes AGAINST and no votes ABSTAINING.

A total of 4,182,744,801 valid votes were cast during voting on the Resolution out of 4,968,805,368 shares, which corresponds to 84.18% of the share capital of the Company.