

R E S O L U T I O N No. 553/V/2017
adopted by the Management Board of ENERGA Spółka Akcyjna (Company)
on 22 May 2017

in the matter of: motion to distribute net profit earned in the financial year 2016

Acting pursuant to § 14 section 3 item 9 of the Company's Articles of Association:

§ 1

1. The Management Board hereby moves to the General Meeting of ENERGA SA to distribute the 2016 net profit in the amount of PLN 783,542,643.96 as follows:
 - 1) dividend – PLN 78,672,751.66,
 - 2) supplementary capital – PLN 704,869,892.30.
2. Justification of the motion to distribute the 2016 net profit is provided in an Attachment to this resolution.

§ 2

The resolution will come into force on the date of its adoption.

Number of voting persons: 4.
This resolution was adopted unanimously.

ENERGA SA Management Board

Daniel Obajtek

Alicja Barbara Klimiuk

Jacek Kościelniak

Grzegorz Ksepko

Gdańsk, 22 May 2017

**GENERAL MEETING of
ENERGA Spółka Akcyjna**

**JUSTIFICATION
FOR THE PROPOSED DISTRIBUTION OF THE 2016 NET PROFIT**

We hereby move to distribute the 2016 net profit in the amount of PLN 783,542,643.96 as follows:

- dividend payment to shareholders in the amount of PLN 78,672,751.66, that is PLN 0.19 per share (10.0% of the profit),
- allocation of profit in the amount of PLN 704,869,892.30 to supplementary capital (90.0% of profit).

When the ENERGA Group Strategy for 2016-2025 was adopted on 15 November 2016, the Company announced that the dividend policy will be adapted to the financial needs of the investment process which assumes the cessation of key spending items by 2023. At the same time, the provisions included in the Company's Prospectus approved by the Polish Financial Supervision Authority on 15 November 2013 regarding declarative dividend payments have gone out of date.

Receipt of a dividend is the right of a shareholder based on its capital contribution. Analyzing the Company's financial results, observing the changing market and regulatory environment and having regard for the ENERGA Group's current and planned investments, we propose to pay a dividend in the recommended amount. In the Company's opinion, the payment of the dividend will not exert negative influence on the ENERGA Group's financial and liquidity position, its ability to execute its current investment plans and the ENERGA Group's growth strategy while maintaining its investment grade rating of its creditworthiness by rating agencies and limiting the risk of breaching the financial covenants defined by the terms and conditions for the debt funding the Company has acquired.

Pursuant to Article 396 § 1 of the Commercial Company Code, the Company is required to create its supplementary capital to which at least 8% of the profit earned in the financial year must be allocated until it reaches one third of share capital (in ENERGA SA's case this is PLN 1,507,204,294.96). As at 31 December 2016, it is PLN 728,047,318.80, i.e. 16.1% of share capital, while upon incorporating the proposed distribution of profit, it will be PLN 1,432,917,211.10, or 31.7% of share capital (i.e. 95.1% of the required amount).

ENERGA SA Management Board

Daniel Obajtek

Alicja Barbara Klimiuk

Jacek Kościelniak

Grzegorz Ksepko