

Appendix to the minutes
of the meeting of the Management Board of ENERGA SA
held on 16 May 2018

**RESOLUTION No. 1090/V/2018
of the Management Board of ENERGA Spółka Akcyjna (the Company)
dated 16 May 2018**

re. **a motion to distribute net profit for the financial year 2017**

Acting under Section 14.3.9 of the Company's Articles of Association:

Section 1.

1. The Management Board hereby moves to the General Meeting of ENERGA SA to distribute the 2017 net profit in the amount of PLN 106,601,622.10 by allocating the same in full for the legal reserve.
2. The reasons for the motion to distribute the 2017 net profit are provided in the Appendix to this resolution.

Section 2.

This Resolution shall come into force upon being adopted.

Number of voters: 3.

The resolution has been adopted unanimously.

Management Board of ENERGA SA

Alicja Barbara Klimiuk

Jacek Kościelniak

Grzegorz Ksepko

**GENERAL MEETING OF SHAREHOLDERS
ENERGA Spółka Akcyjna**

**FOUNDATIONS
FOR THE PROPOSED DISTRIBUTION OF 2017 NET PROFIT**

We hereby move that the 2017 net profit in the amount of PLN 106,601,622.10 be distributed by being allocated in full for the legal reserve.

Concurrently with the adoption of the ENERGA Group Strategy for 2016-2025, on 15 November 2016, the Company announced that the dividend policy would be adapted to the financial needs of the investment process, under which the incurring of the most significant expenses is expected to come to an end in 2023. At the same time, the provisions regarding the declared dividend payments contained in the Company's Prospectus, as approved by the Polish Financial Supervision Authority, became obsolete on 15 November 2013.

The shareholder's right to dividend results from the participation in the capital. Based on the analysis of the Company's financial results, observation of the market and regulatory developments, and taking into account the current and planned capital expenditures of the ENERGA Group, we move that no dividend be paid out of the net profit earned by the Company in 2017 and that said net profit be allocated in full for the legal reserve.

Furthermore, Article 396.1 of the Code of Commercial Companies (CCC) requires the Company to create reserve capital and to allocate for it at least 8% of the profit earned for a given financial year until the reserve capital reaches one-third of the share capital (in the case of ENERGA SA – PLN 1,507,204,294.96). As at 31 December 2017, the Company's legal reserve amounted to PLN 1,432,917,211.10, thus accounting for 31.7% of the share capital. The allocation of the entire 2017 net profit for the legal reserve will allow the Company to comply with the above-described statutory requirement even beyond what is expected. Compliance with the above requirement eliminates the statutory restriction as to the net profit distribution in the future.

Management Board of ENERGA SA

Alicja Barbara Klimiuk

Jacek Kościelniak

Grzegorz Ksepko