

**THE ENEA GROUP
CODE**

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PREAMBLE

WHEREAS:

1. Groups are a business phenomenon common for all European Union member states and leading non-EU economies.
2. Groups are established to develop business, face competition and market challenges according to the principle that “once in a group things are easier, you are more secure and stronger”.
3. Economic groupings are characterised by their common interest. A group should act as one economic unit.
4. A group is a positive fact being mainly a source of opportunities.
5. Each commercial company, by nature, is established to pursue a legitimate objective in the common interest of all its members. The purpose of company operations may be determined at members’ discretion within the limits of the law.
6. Thus, the company interest as defined by legal provisions cannot be unrelated to the members’ interest.
7. A subsidiary, by nature, cannot have the interest which would be independent from the interest of the parent.
8. A subsidiary is a vehicle for running business which is launched, managed and deactivated by the “owner”, thus it cannot operate in isolation from the interest of its “owners”.
9. The company interest is a certain shortcut which in reality means collective interest of members. It is proven by Article 3 of the Commercial Companies Code whereunder a company is established to pursue a common interest of its members. It is also confirmed by i.a. the judgement of the Supreme Court of 5 November 2009 (I CSK 158/09).
10. In case of a group without a separate legal personality, the common interest does not necessarily consist in the pursuit of profit distribution. The group common interest consists in business activity diversification to avoid negative consequences related to unfavourable economic downturn, introduction of requisite reforms to the organisational structure, entering new markets and enhancement of management which is in the interest of members and creditors of group companies.
11. All actions undertaken as part of the group should find justification in the group common interest.
12. The companies belonging to the group (parent and subsidiaries) by nature cannot be perceived in isolation from the group but should aim at achieving maximum results from the perspective of the entire group.
13. The common interest of the group consists, i.a. in the pursuit of the economic and financial interest. **Economic interest** shall be understood as increasing management efficiency, distributing the risk of business activity, establishing flexible organisational structure, obtaining synergies, legitimate tax optimisation, market expansion and increasing reliability of individual group companies. **Financial interest** consists in obtaining profits from collective management of group finances (access to financing programme, liquidity management of the group, etc.).
14. Group members should strive at focusing to take actions aimed at achieving the (common) interest of the group, taking account of legitimate interests of creditors and minority shareholders and corporate governance rules. Taking decisions which have consequences for the group and cooperation within the group should be based on balancing the interests of the group stakeholders i.e. creditors and minority shareholders in accordance with the corporate governance rules.

15. The companies belonging to the ENEA Group having special functions set out by universally binding energy law provisions (i.a. distribution system operators) should be ensured independence necessary to fulfil relevant public tasks, for the services they provide to be available to users on equal rights, without privileging the ENEA Group companies.
16. In accordance with Article 9d.3 of the Energy Law Act of 10 April 1997, the actions aimed at ensuring independence of operators should enable functioning of coordination mechanisms ensuring protection of proprietary rights as regards supervision over the operators' management and business activity and as regards profitability of the assets managed by the operators.

CHAPTER 1 GENERAL PROVISIONS

Article 1

[Subject matter of the Code]

The Code regulates establishment, organisation and functioning of the ENEA Group (defined hereinbelow).

Article 2

[Definitions]

The terms used in the Code shall have the following meaning:

ENEA Group Secondary Documents	regulations regarding the ENEA Group referred to in Article 26 of the Code, binding upon the Companies belonging to the ENEA Group due to adoption of this Code
ENEA	company operating under the business name of ENEA S.A. with its registered office in Poznań
The ENEA Group	ENEA and companies whereto this Code applies under Article 7 of the Code
ENEA Group Interest	shall have the meaning assigned thereto in Article 10 of the Code
Stakeholders	minority shareholders and creditors of Companies
Code	this Code
Committee	Committee of the ENEA Group as defined by Article 37 of the Code
General Terms and Conditions of Management Division	description of management division managing mode (e.g. the process of legal service, process of HR and payroll administration, process of proprietary management) covering at least two Companies, including but not limited to the division of competence and responsibility among Companies
Business Area	business area of the ENEA Group whereto the Company is allocated due to its core objects
Company	Company being a member of the ENEA Group

Articles of Association	Company founding act, Articles of Association or Memorandum of Association
Corporate Strategy	mid-term or long-term assumptions or development plans and actions of the ENEA Group adopted by relevant ENEA corporate bodies
Business Area Strategy	objectives, principles and standards of cooperation as well as benefits and risks of operation in a given business area, singled out by ENEA and described in the Corporate Strategy
Member	Company member or shareholder
Management Board	The ENEA Management Board
Shareholders Meeting	Company Shareholders Meeting or General Shareholders Meeting

Article 3

[Purpose and legal nature of the Code]

1. The objective of the Code is to make sure that all Companies pursue the ENEA Group Interest while observing the universally binding provisions of law, Articles of Association, Code and ENEA Group Secondary Documents binding upon Companies under the Code.
2. The Code is an internal act regulating internal relationships in the ENEA Group.

Article 4

[Delegation of the Management Board powers]

1. Unless provided otherwise, the competences allocated to ENEA are exercised by the Management Board.
2. Within the limits of competences granted under the provisions of law, the ENEA Articles of Association and other ENEA internal regulations, the Management Board may authorise: (i) a specific Management Board member; or (ii) a Committee to exercise part of or all the Management Board powers set out in the Code.
3. The authorisation referred to in section 2 hereinabove requires a resolution of the Management Board. The decision taken under a resolution adopted by the Management Board referred to in the first sentence is communicated to Companies in a manner adopted in the ENEA Group.

CHAPTER 2 ENEA GROUP ESTABLISHMENT

Article 5

[The ENEA Group foundation]

1. The ENEA Group whereto the provisions of this Code and the ENEA Group Secondary Documents issued hereunder is founded by way of resolution of the Management Board.
2. The resolution whereunder the ENEA Group is founded should determine at least:
 - a) the ENEA Group name,
 - b) the purpose of the ENEA Group foundation,

- c) a list of the ENEA Group members at the date of adopting the resolution.
- 3. The Code is enclosed with the resolution whereunder the ENEA Group is founded.

Article 6

[Entry into the ENEA Group]

1. Entry into the ENEA Group requires a resolution of the Shareholders Meeting of a given Company; it does not apply to ENEA as a parent which is a member of the ENEA Group under the resolution referred to in Article 5 hereinabove.
2. Entry into the ENEA Group means that a Company must observe the provisions of the Code and the ENEA Group Secondary Documents.

Article 7

[Admission to the ENEA Group]

1. Admission to the ENEA Group requires a resolution of the Management Board.
2. Should the Company's membership in the ENEA Group result from the resolution founding the ENEA Group, no separate Management Board resolution on admission to the ENEA Group is required.

CHAPTER 3 ENEA GROUP BUSINESS INTEGRITY

A. ENEA Group operation

Article 8

[Purpose of provisions of this Chapter]

The purpose of provisions determining the principles of managing Company affairs and cooperating within the ENEA Group is to ensure operation of the ENEA Group as a uniform economic unit composed of companies autonomous in civil law terms (the ENEA Group operation).

Article 9

[Prerequisites of operation]

The prerequisites of the ENEA Group operation include basing the ENEA Group on:

- 1) the uniform Code for all the Companies being a deed forming the ENEA Group, based on the assumption that the interest and strategy of the ENEA Group members are consistent with the ENEA Group Interest and Corporate Strategy,
- 2) The ENEA Group Secondary Documents issued under this Code and control of internal processes with a view of achieving values such as:
 - a) coherence of Companies' operation,
 - b) transparency of Companies and the ENEA Group operation,
 - c) increase efficiency and effectiveness of control of business, organisational and legal processes in the ENEA Group,
 - d) mitigation of business and legal risks of erroneous decisions within the ENEA Group (risk management),
- 3) the principle of controlled flexibility – exceptions to procedure or standard need to be agreed on with the Management Board or a relevant Committee (if it has been established and it falls within its competence).

B. ENEA Group Interest and Corporate Strategy

Article 10

[ENEA Group Interest]

1. The ENEA Group Interest shall be understood as the community of Companies' interests.
2. The objective of each Company is to run business aimed at Corporate Strategy implementation.
3. A Company belonging to the ENEA Group runs gainful business activity or business activity with another business purpose compliant with the Corporate Strategy.

Article 11

[Mode of defining the ENEA Group Interest]

1. The ENEA Group Interest is each time determined by the mission and assumptions of the Corporate Strategy.
2. The Corporate Strategy is developed by the Management Board taking account of the purpose of operation of each Company.
3. The Corporate Strategy is approved by a relevant ENEA body.

C. ENEA Group Interest and Corporate Strategy versus Stakeholders

Article 12

[Obligation to take account of Stakeholders' interests]

The ENEA Group Interest is pursued taking account of the legitimate interests of the Stakeholders, in line with the requirements set out in the universally binding provisions of law, the Articles of Association, the Code and the principle of loyalty towards creditors and minority shareholders being part of the corporate governance.

Article 13

[Loyalty principle]

The principle of loyalty towards creditors and minority shareholders shall be understood as a prohibition to take any actions aimed at the creditor's or minority shareholder's detriment in a mode contradictory to the principles of morality.

Article 14

[Cooperation within the ENEA Group with entities with special legal status]

Functioning within the ENEA Group of Companies with special legal status resulting from universally binding provisions of energy law does not infringe on public law requirements of preserving independence and ensuring equal access to services provided by those Companies to all entities, also those that do not belong to the ENEA Group.

Article 15

[Functioning within the ENEA Group of companies with public company status]

Operation within the ENEA Group of companies holding the status of public companies does not infringe on: (i) public law requirements of such status, including but not limited to the disclosure obligations of those companies, (ii) legitimate interests of the Company minority shareholders in line with the principle of equal treatment of shareholders in the same circumstances pursuant to Article 20

of the Commercial Companies Code and taking account of the Best Practice of GPW Listed Companies.

D. Managing Company affairs

Article 16

[Obligation to manage affairs in line with the ENEA Group Interest]

1. The Management Board of each Company manages its affairs in line with the ENEA Group Interest while observing the provisions of law, the Articles of Association, the Code and the ENEA Group Secondary Documents.
2. The Company Strategy is determined by the Corporate Strategy and should be compliant therewith.

Article 17

[Company cooperation within the ENEA Group]

1. The Management Board of each Company cooperates with ENEA and other Companies as regards development, amendment and implementation of the Corporate Strategy and the ENEA Group Secondary Documents.
2. In particular, each Company:
 - a) implements and complies with the ENEA Group Secondary Documents;
 - b) provides ENEA with ongoing access to information in the scope determined by ENEA for development, amendment and implementation of the Corporate Strategy, the Business Areas Strategy and the General Terms and Conditions of Management Divisions;
 - c) initiates operational cooperation within the ENEA Group taking particular account of the Business Areas Strategy and the General Terms and Conditions of Management Divisions;
 - d) may call for introduction of amendments to the ENEA Group Secondary Documents.

Article 18

[Company impact on the ENEA Group value]

The Company is obliged to take actions enhancing the ENEA Group operation aimed at the increase in value of the ENEA Group as a whole.

CHAPTER 4 COMPANY SPECIAL OBLIGATIONS WITHIN THE ENEA GROUP

Article 19

[Disclosure duties of Companies towards ENEA]

1. The Company provides ENEA with all information that impacts or may impact operation of the Company within the ENEA Group or the ENEA Group itself, immediately upon becoming aware thereof, to the extent permitted by the relevant provisions of law.
2. The information referred to in Article 19.1 may apply in particular to the principles of implementation of common ENEA Group standards in the Company, implementation of decisions based on the opinions of Committees or the Management Board, execution of Company financial plans and implementation of operational cooperation as part of the Corporate Strategy, the Business Areas Strategy and the General Terms and Conditions of Management Divisions.

Article 20

[Cooperation transparency]

Cooperation on the operational level between the Company, ENEA and other Companies should be executed in a transparent manner and in line with relevant provisions of law, including but not limited to the provisions of tax law and energy law.

Article 21

[Obligations related to ENEA shares quotations]

1. Due to the fact that ENEA is a public company whose shares are quoted on the regulated market, the Company as an ENEA Group member complies with all the requirements and procedures and provides ENEA with all the information that enable ENEA to duly perform its disclosure obligations as a public company. In the event that the Company has a status of public company whose shares are quoted on the regulated market, this circumstance is taken into account while performing the activities referred to in the preceding sentence.
2. The Company is obliged to introduce the procedures mitigating risk of unlawful disclosure of confidential information and of following illicit practices on the regulated market in line with the principles set out in the Code.

Article 22

[Consolidated reporting, audit and control]

1. The Company ensures full cooperation with ENEA in performance of the obligation to develop and audit consolidated financial statements. In particular, the Company shall provide all the data, information and documents as well as access to the Company books of accounts to the extent necessary to develop consolidated financial statements.
2. The Company is obliged to undergo audit of internal processes and internal control performed according to the principles set out by the Management Board.

Article 23

[Competition and consumer protection]

The Company ensures full cooperation with ENEA as part of the audit, assessment and performance of the Company's and ENEA's obligations under the provisions on competition and consumer protection.

Article 24

[Environment protection]

The Company ensures full cooperation with ENEA as part of the audit, assessment and performance of the Company's and ENEA's obligations under the provisions on environment protection.

Article 25

[Indication of membership in the ENEA Group]

1. Should the business name of the Company not include an addition indicating its membership in the ENEA Group, the Company is obliged to indicate the fact of being the ENEA Group member in all agreements concluded with third parties and in correspondence with third parties, should the Management Board decide so.
2. The Company may conclude with ENEA a relevant agreement setting out the conditions of use of the name or graphic mark indicating the membership in the ENEA Group, in particular if it is justified by requirements of the provisions of law (including tax law).

CHAPTER 5 ENEA GROUP SECONDARY DOCUMENTS

Article 26

[Types of ENEA Group Secondary Documents]

The ENEA Group Secondary Documents are as follows:

- 1) Business Areas Strategies;
- 2) General Terms and Conditions of Management Divisions;
- 3) other uniform procedures and operational standards in the ENEA Group;
- 4) decisions, opinions and other resolutions issued by the Management Board or Committee in matters concerning the ENEA Group.

Article 27

[List of ENEA Group Secondary Documents]

The list of the ENEA Group Secondary Documents is determined by the Management Board. The list is communicated to all Companies in a manner adopted in the ENEA Group.

Article 28

[Introduction of Business Areas management model]

The Management Board may introduce Business Areas management model in the ENEA Group as a means to pursue the ENEA Group Interest and Corporate Strategy.

Article 29

[Business Areas management objective]

1. The Management Board creates Business Areas and determines whether the Company belongs to a given Business Area or Areas.
2. The Business Areas management objective is to implement the Corporate Strategy ensuring achievement of strategic, management and operational ENEA Group objectives, in particular as regards:
 - a) profitable growth in core activity areas;
 - b) effectiveness enhancement;
 - c) integration of management of all value chain elements;
 - d) human capital development.
3. Strategic actions of the ENEA Group also include integration of assets (also by way of investment and disinvestment to release capitals for the purpose of core activity) and strengthening the Business Areas management.

Article 30

[Business Areas Strategies]

1. The Management Board may adopt Business Areas Strategies binding upon the ENEA Group.
2. The Management Board may entrust a given Company or Companies with development of a given Business Area Strategy.

3. The detailed principles of preparing, consulting, adopting, implementing and changing the Business Areas Strategy should be set out in a separate document adopted by the Management Board.

Article 31

[General Terms and Conditions of Management Divisions]

1. The Management Board may adopt General Terms and Conditions of Management Divisions binding upon the ENEA Group.
2. The list of management divisions and the detailed principles of preparing, consulting, adopting, implementing and amending the General Terms and Conditions of Management Divisions should be set out in a separate document adopted by the Management Board.

Article 32

[Uniform standards and procedures]

1. The Management Board may introduce uniform procedures and operational standards effective in the ENEA Group other than the General Terms and Conditions of Management Divisions.
2. Uniform standards and procedures of operation other than the General Terms and Conditions of Management Divisions, are adopted, amended and repealed by the Management Board.

Article 33

[Other ENEA Group-related decisions]

The Management Board or a Committee may also regulate the ENEA Group affairs by way of decisions, opinions or other resolutions binding upon the ENEA Group.

Article 34

[Compliance of Companies with ENEA Group Secondary Documents]

1. The Company runs its operations in line with the Secondary Documents effective in the ENEA Group.
2. The Company shall apply a new ENEA Group Secondary Document immediately upon receiving information about its adoption by the Management Board or Committee. The provision set out in the previous sentence shall apply to the amending and repealing of the ENEA Group Secondary Document, accordingly.
3. The provisions of preceding sections are without prejudice to the obligations of the Company under the universally binding provisions of law.

Article 35

[Exception to procedure or standard]

The Company may modify the common procedure or standard introduced for the ENEA Group or the General Terms and Conditions of Management Division solely in justified cases and upon the prior consent of the Management Board or a relevant Committee (if it has been established and it falls within its competence).

Article 36

[Standard compliance]

The Management Board or a relevant Committee (if it has been established and it falls within its competence) is authorised to check compliance of Company standards with the ENEA Group standards.

CHAPTER 6 ENEA GROUP COMMITTEES

Article 37

[ENEA Group committees]

1. The Management Board is authorised to establish Committees, determine their composition and competence.
2. The Company is not bound by the Committee's opinion solely should the Company's decision based on the Committee's opinion infringe the universally binding provisions of law, a specific interest of creditors or minority shareholders, with the proviso that:
 - 1) the Company is obliged to inform a relevant Committee and the Management Board about the refusal to implement the Committee's opinion and provide a detailed justification for the refusal,
 - 2) the justification of the refusal to implement the Committee's opinion should include at least:
 - a) indication of the specific universally binding provision of law that would be infringed on as a result of implementation of the Committee's opinion and the infringement mode;
 - b) indication of the specific creditor's interest that would be infringed on as a result of implementation of the Committee's opinion and the infringement mode. Infringement on the creditor's interest should be real and apply to the claims due. In the case of undue claims that arose before the date of issuing an opinion by the Committee, the Company should demonstrate sufficient indicia of reliability that the implementation of the Committee's decision threatens satisfaction of those claims and that the creditors' interests have not been secured by the Company;
 - c) indication of the specific minority shareholder's interest that would be infringed on as a result of implementation of the decision on the basis of the Committee's opinion and the infringement mode. Infringement of the member's interest should be real and the extent of this interest's infringement should justify repealing a relevant resolution of the Shareholders Meeting as incompliant with the principles of morality or the Articles of Association under the Commercial Companies Code;
 - 3) should the Company's justification be admitted, the Management Board may decide to secure the interests of the creditor or minority shareholder in internal relationships with the Company. The interest securing shall repeal a relevant basis for the refusal to implement the Committee's opinion.

CHAPTER 7 FINAL PROVISIONS

Article 38

[Code interpretation]

1. The provisions of the Code shall be interpreted in line with the Preamble and having its objective in mind rather than its literal wording.
2. Any doubts or disputes as to the Code interpretation shall be resolved by the Management Board by way of a resolution (**Interpretation Resolution**). When adopting the Interpretation Resolution, the Management Board is bound by the interpretation directive of the Code provisions set out in Article 38.1 hereinabove.
3. The provisions under the Interpretation Resolution are communicated to all Companies in a manner adopted in the ENEA Group.

4. The provisions of this Article apply to resolving all doubts that may arise in relation to cooperation among the Companies in line with the Code provisions, including performance by the Companies of individual obligations set out in Chapter 4 of the Code.

Article 39

[Amendments to the Code]

Any amendments to the Code shall be made in the mode applicable to its adoption.

Article 40

[Body eligible to adopt the Code]

The Management Board is a body eligible to adopt and amend the Code.

Article 41

[Entry into force of the Code]

1. Subject to Article 41.2 hereinbelow, the Code enters into force with the date of its adoption by the Management Board.
2. The Code enters into force with effect for each Company as of the date of the Shareholders Meeting adopting a resolution on the entry into the ENEA Group.