



Motion of the Management Board of the Company to the Ordinary General Meeting of Polski Koncern Naftowy ORLEN S.A.

regarding:

**Recommendation on the coverage of loss for financial year 2014 and
recommendation on payment of dividend in 2015**

*Submitted on behalf of the
Management Board by:*

Dariusz Jacek Krawiec

*President
of the Management Board*

Sławomir Jędrzejczyk

*Vice-President of the
Management Board for
Finances*

Introduction

Pursuant to Article 395 § 2 point 2 of the Commercial Companies Code and § 7 item 7 point 3 of the Articles of Association of the Company, the Management Board of Polski Koncern Naftowy ORLEN SA (PKN ORLEN) applies to the Shareholders of the Company to adopt the resolution:

- to cover the net loss for 2014 in the amount of PLN 4,671,826,145.06 (in words: four billion six hundred seventy one million eight hundred twenty six thousand one hundred forty five zloty 6/100) from the supplementary capital,
- to allocate the amount of PLN 705,719.950.65 (in words: seven hundred five million seven hundred nineteen thousand nine hundred fifty zloty 65/100) for payment of dividends (PLN 1.65 per 1 share). The dividend referred to in the previous sentence shall be paid from the Company's supplementary capital created with the profit from previous years.

The improvement of the financial conditions of ORLEN Group achieved during the last few years made it possible to adopt and publish the updated dividend policy in ORLEN Group's Strategy for 2014-2017. The policy assumes gradual increase of the amount of dividend per share to be paid up to 5% of average share price for a dividend year concerned, taking into account accomplishment of strategic financial ratios and forecasts about macro situation. This method does not bind the dividend with net profit, since in the area of operation of ORLEN Group net profit is very variable and may include non-cash elements, such as revaluation of assets, reserves and credits, which means that it does not fully reflect results generated by the Company.

Recommendation

Taking into account that year 2014 was closed by PKN ORLEN with a loss of PLN 4,671,826,145, the Management Board of PKN ORLEN recommends to the Ordinary General Meeting to adopt the resolution on coverage of the above loss from the Company's supplementary capital.

But, taking into account the Company's good liquidity situation and average capitalisation of PKN ORLEN in 2014 amounting to PLN 18,074,985,000 (average rate in 2014 amounted to PLN 42.26) and with an assumption that the financial ratios are to maintain on a safe level, the Management Board of PKN ORLEN recommends to the Ordinary General Meeting to adopt the resolution on allocation of the amount of PLN 705,719.950.65 for payment of dividends, which means 3.90% of average capitalisation for 2014, which corresponds to the amount of PLN 1.65 per 1 share.

Pursuant to Article 348 § 1 of the Commercial Companies Code and § 5 item 1 of the Articles of Association of the Company, the dividend will be paid from the supplementary capital of PKN ORLEN S.A.

The Management Board of the Company proposes to set the day of 16 June 2015 as the dividend day and the day of 8 July 2015 as the dividend payment date.