

Information Note

on debt instruments issued by



Polski Koncern Naftowy ORLEN Spółka Akcyjna
with the registered office in Płock
at the address ul. Chemików 7, 09-411 Płock
www.orlen.pl
("PKN ORLEN SA")

This information note has been drawn up in connection with the application procedure for introducing ORLEN002 270219 series bonds to Alternative Trading System organised by BondSpot S.A. by the Issuer whose shares are traded on the regulated market maintained by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.).

Drawn up on: 09th May 2012

All terms not defined in this Information Note shall have the meaning specified in the Terms and Conditions of Issue of ORLEN002 270219 series Bonds, constituting the Annex hereto.

1) Purpose of issue of debt instruments

The purpose of issue of debt instruments hereunder has not been specified.

2) Specification of the type of debt instruments issued

PKN ORLEN SA bearer bonds, ORLEN002 270219 series, variable rate bonds.

The bonds were issued under the Bond Issue Programme in the amount of PLN 2,000,000,000 (in words: two billion zlotys) performed under the Bond Issue Programme Contract entered into on 27th November 2006, as amended.

3) Issue volume

The total nominal value of issue of the ORLEN002 270219 series Bonds amounts to 1,000,000,000 PLN (in words: one billion zlotys).

4) Nominal value and issue price of debt instruments or calculation method

Nominal value of a single Bond is equal to the Bond issue price and amounts to PLN 100,000 (in words: one hundred thousand zlotys) ("**Nominal value**", "**Principal Amount**").

5) Terms and conditions of redemption and payment of debt instrument interest

5.1. Bond Redemption on Maturity Date

On 27th February 2019 ("**Maturity Date**") the Issuer shall pay the Principal Amount for each Bond equal to PLN 100,000 (in words: one hundred thousand zlotys).

Payments within the Bonds redemption shall be made to a person, whose rights attached to Bonds are entered on the securities account ("**Bondholder**") on 19th February 2019.

Bond redemption shall be made by the National Depository for Securities (KPDW) once the funds are supplied by the Issuer.

If the Maturity Date is a not a Business Day, the above payment shall be made on the first Business Day after the Maturity Date, however no claims for delay interest or any other additional payments shall apply.

5.2. Payment of Interest Amount

The bonds bear interest starting from the Issue Date, i.e. from 27th February 2012 until the Maturity Date, when the Issuer shall pay the entire Principal Amount per each Bond (excluding that day). On each Interest Payment Date as indicated in Table No. 1 below (*Interest Payment Dates*) the Issuer shall be obliged to pay Interest Amount to Bondholders holding Bonds on a securities account. The payment of Interest Amount shall be deemed made once credited on the Bondholder's securities account.

If, however, the Interest Payment Date is a not a Business Day, the above payment shall be made on the first Business Day after the Interest Payment Date, though no claims for delay interest or any other additional payments shall apply.

The Interest Amount shall be calculated separately for each interest period. The Interest period shall mean a period from the Issue Date (inclusive), i.e. from 27th February 2012 until the first Interest Payment Date (excluding this day) and every subsequent period from the Interest Payment Date (inclusive) until the next Interest Payment Date (excluding this day) ("**Interest Period**").

Interest Amount payments shall be made to Bondholders holding the Bonds on securities accounts on the Record Date as indicated in the Table No. 1 below.

Table No. 1. Record Dates and Interest Payment Dates

| <i>Interest Period Number</i> | <i>Record Dates for Interest Period indicated in Column 1</i> | <i>Interest Payment Date for Interest Period indicated in Column 1</i> |
|-------------------------------|---|--|
| <i>Column 1</i> | <i>Column 2</i> | <i>Column 3</i> |
| 1 | 17 August 2012 | 27 August 2012 |
| 2 | 19 February 2013 | 27 February 2013 |
| 3 | 19 August 2013 | 27 August 2013 |
| 4 | 19 February 2014 | 27 February 2014 |
| 5 | 19 August 2014 | 27 August 2014 |
| 6 | 19 February 2015 | 27 February 2015 |
| 7 | 19 August 2015 | 27 August 2015 |
| 8 | 19 February 2016 | 27 February 2016 |
| 9 | 19 August 2016 | 27 August 2016 |
| 10 | 17 February 2017 | 27 February 2017 |
| 11 | 18 August 2017 | 27 August 2017 |
| 12 | 19 February 2018 | 27 February 2018 |
| 13 | 17 August 2018 | 27 August 2018 |
| 14 | 19 February 2019 | 27 February 2019 |

5.3. Charging interest

The Interest Amount shall be calculated separately for each Interest Period. After the Maturity Date the Bonds no longer bear interest, unless the Issuer delays payments due under the Bonds. If such is the case, the Bonds shall bear interest as per statutory interest rate.

5.4. Interest rate for non-full periods

If the Interest Amount is to be calculated for a period shorter than the full Interest Period, it will be calculated based on the actual number of days from the Interest Payment Date (inclusive) or the Issue Date (inclusive), until the day of bonds redemption (excluding that day).

5.5. Calculation of Interest Amount

The Interest Amount for a given Interest Period per each Bond shall be calculated according to the following formula:

$$IA = IR \times NV \times \frac{ND}{365}$$

where:

IA - shall mean the Interest Amount per each Bond in a given Interest Period;

IR shall mean Interest Rate for a given Interest Period, established as referred to in Section 5.6. below;

NV shall mean Nominal Value of a Bond;

ND shall mean the number of days in a given Interest Period (including the first day and excluding the last day of the Interest Period);

after rounding up of the result to the nearest *grosz* (where half and more *grosz* will be rounded up).

5.6. Determination of Interest Rate and Base Rate

The Interest Rate which shall apply for calculation of the Interest Amount due on a given Interest Payment Date shall be the Rate quoted on a Screen on a relevant Interest Rate Determination Date, increased by a margin of 1.60% ("**Margin**").

The Interest Rate for the first Interest Period shall amount to 6.58%.

The Rate quoted on a Screen shall be determined on the day that falls two Business Days before the first day of the Interest Period, in which a given Interest Rate is to be binding ("**Interest Rate Determination Date**"). The Rate quoted on a Screen shall mean a 6 month WIBOR interest rate quoted by Monitor Rates Services Reuters or any of its official successors for deposits corresponding to the Bond Interest Period the Interest Rate is established for, denominated in PLN on a fixing at 11:00 a.m. or around that time of Warsaw local time.

If the Rate quoted on a Screen on a given Interest Rate Determination Date is not available, the Calculation Agent shall immediately request the Reference Banks (as defined below) on that Interest Rate Determination Date to inform the major banks operating on the Warsaw interbank market of the interest rate for 6 month deposits denominated in PLN offered by each of these Reference Banks. If such is the case the Interest Rate which shall apply for calculation of the Interest Amount due on a given Interest Payment Date shall be the arithmetic average of rates provided by the Reference Banks, calculated by the Calculation Agent, provided that at least two Reference Banks shall inform of their interest rates, whereby - if required - it shall be rounded to the second decimal place (and 0.005 shall be rounded up) and increased by the Margin.

If the Interest Rate for a given Interest Period cannot be specified as outlined above, the Interest Rate for such Interest Period shall be determined on the level of the most recent valid interest rate of the preceding Interest Period.

"**Reference Banks**" shall mean PKO Bank Polski S.A., ING Bank Śląski S.A., Bank Pekao S.A., BRE Bank S.A., Bank Handlowy w Warszawie S.A.

6) The amount and form of a relevant security and identification of an entity providing security

The bonds are unsecured.

7) The value of liabilities as at the last day of the quarter preceding the proposal of purchase and prospects of the issuer's liabilities development until total redemption of debt instruments proposed for purchase

The value of the Issuer's liabilities as at the last day of the quarter preceding the Proposal of Purchase: as at 31 December 2011 the value of commercial and financial liabilities of the Issuer amounts to PLN 24,130,889,000.

The prospects of development of the Issuer's liabilities until the total redemption of the Bonds offered for purchase are as follows: Until the redemption of the Bonds within the above mentioned Series, the total Issuer's liabilities are not expected to change significantly as compared to liabilities value as at 31 December 2011.

- 8) The data providing potential buyers of debt instruments with general knowledge on the undertaking results, which is to be financed from issue of debt instruments, as well as the issuer's ability to cover the liabilities resulting from debt instruments, if the undertaking is specified**

Not applicable, since the undertaking is not specified.

- 9) Rules of converting non-cash benefits to cash benefits**

The Bondholders are entitled to cash benefits only.

- 10) If any pledge or mortgage is established as a security of liabilities for debt instruments - valuation of the object of pledge or mortgage by an expert**

The bonds are unsecured.

Annexes: Terms and Conditions of Issue of ORLEN002 270219 series Bonds

Polski Koncern Naftowy ORLEN Spółka Akcyjna ul. Chemików 7 09-411 Płock REGON No. 610188201

TERMS AND CONDITIONS OF ISSUE OF PKN ORLEN S.A. BONDS

These Terms and Conditions of Issue refer to bearer bonds ("**the Bonds**") with the maturity date falling on 27th February 2019 ("**Maturity Date**"), of the **ORLEN002 270219 series**, of a variable rate, issued by **Polski Koncern Naftowy ORLEN Spółka Akcyjna** with the registered office in Płock, entered in the Register of Entrepreneurs maintained by District Court for the Capital City of Warsaw, XIV Economic Division of the National Court Register under the number KRS 0000028860 ("**the Issuer**").

The bonds are issued in compliance with the Polish Act on Bonds of 29th June 1995(*consolidated text: Journal of Laws of 2001, No. 120, item 1300 as amended*) ("**the Act on Bonds**"). The Bonds are issued pursuant to Article 9. Section 3 of the Act on Bonds, the Resolution of the Issuer's Management Board No. 2665/06 of 30th March 2006, Resolution of Supervisory Board No. 648/06 of 25th April 2006, Resolution No. 4740/12 of the Issuer's Management Board of 7th February 2012 and Resolution No. 1327/12 of the Issuer's Supervisory Board of 22nd February 2012. The Issue of Bonds is made within a programme of issue of bonds up to the programme amount of PLN 2,000,000,000 ("**the Programme**").

The Issuer appointed: (i) Bank Pekao S.A. to act as the Issue Agent, with the office at the address in Warsaw at ul. Żwirki i Wigury 31, 02-091 Warsaw ("**the Issue Agent**") and to make all necessary calculations, (ii) BRE Bank S.A. at its registered office at ul. Senatorska 18 in Warsaw to act as a sub-agent, (iii) ING Bank Śląski S.A. with its registered office in Warsaw at Plac Trzech Krzyży 10/14 to act as a sub-agent, (iv) Societe Generale S.A. Oddział w Polsce with its registered office at ul. Marszałkowska 111 in Warsaw to act a sub-agent, and (v) PKO Bank Polski S.A. at its registered office at ul. Puławska 15 in Warsaw to act a sub-agent.

Depending on which of the above entities maintains the Bond Register, it will be hereinafter referred to as ("**the Agent***"). The Agent's address provided for above shall be hereinafter referred to as ("**the Identified Office**").

The Issue Agent and the Agent shall not be liable towards the Bondholders for the Issuer's liabilities resulting from the Bonds and these Terms and Conditions of Issue.

1 FORM AND NOMINAL VALUE

- 1.1 The bonds are unsecured bearer securities issued in a series as provided for in Article 5a of the Act on Bonds, without a paper form. According to Article 11 the Bonds shall be dematerialized in the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A.) ("**KDPW**").
- 1.2 The nominal value of one Bond shall amount to PLN 100,000 (in words: one hundred thousand zlotys). Within the Series, the Issuer shall issue 10,000 Bonds of the total nominal value of PLN 1,000,000,000 (in words: one billion zlotys).
- 1.3 The Bonds shall constitute direct, unconditional and unsecured obligations of the Issuer, ranking *pari passu* without any preference among themselves and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, subject to all exceptions under the mandatory laws.

1.4 The Bonds shall be issued in Płock. The Bonds were issued on 27th February 2012 ("**the Issue Date**").

2. TRANSFER OF RIGHTS ATTACHED TO BONDS

2.1 Until the date of dematerialization of the Bonds in KDPW, each Agent shall be obliged to maintain a register compliant with its internal procedures and rules and the Act on Bonds ("**the Register**"), indicating, amongst other, the name of the acquirer and number of Bonds acquired.

2.2 Until the date of dematerialization of the Bonds in KDPW, the transfer of rights attached to the Bonds shall be effective once: (i) the seller or the acquirer of the Bonds informs the Agent (who maintains the Bond Register) of the civil law activity of transferring the rights attached to the Bonds, and proving such activity in a form previously agreed with the Agent; and (ii) the Agent enters the name of the acquirer ("**the Bondholder**") and the number of acquired Bonds in the Register.

2.3 If the Bonds are acquired as a result of an event due to which the rights attached to the Bonds are transferred under the law, the entry is made in the Register at the acquirer's request after the acquirer submits a satisfactory proof of such an event to the Agent.

2.4 Until the date of the dematerialization of the Bonds in KDPW, the Bondholder shall be entitled to request to be entered as a Bondholder in the Register maintained by some other Agent ("**the New Agent**") (provided such an Agent agrees thereto in advance) than the one who so far registered the Bonds held ("**the Previous Agent**"). In the case described as above, the Bondholder shall notify the Previous Agent and the New Agent of his intention to make such a change. Based on cohesive information from the Bondholder and the Previous Agent, the New Agent shall make adequate entries in its Register. The entry shall be made by the New Agent upon receipt of confirmation from the Previous Agent on deleting the Bondholder's Bonds from its Register. The Bondholder shall authorise the Previous Agent to provide the New Agent with Bondholder-related information for registration purposes in the Register maintained by the New Agent.

2.5 Until the date of dematerialization of the Bonds in KDPW, the detailed rules of Register maintenance and transfer of rights attached to the Bonds are covered by relevant internal rules and procedures of the Agents. Should any discrepancies arise between such rules or procedures and these Terms and Conditions of Issue, the provisions hereof shall prevail.

2.6 According to the provisions of Article 11, after the date of dematerialization of the Bonds in KDPW:

2.6.1 The Bonds shall be registered in a depository, referred to in Article 5a Section 6 of the Act on Bonds ("**the Depository**");

2.6.2 The Bonds shall be credited on the Securities Accounts and shall be owned by Bondholders holding such accounts;

2.6.3 The transfer of rights attached to the Bonds shall take place pursuant to the Act on Trading and the ATS regulations and the Depository's rules;

where:

"Securities Account" shall mean securities account within the meaning of Article 4.1 of the Act on Trading;

"Act on Trading" shall mean the Polish Act on Financial Instruments Trading of 29th July 2005 (Journal of Laws of 2005, No. 183, item 1538);

"ATS" shall mean the Alternative Trading System organised by WSE or BondSpot; **"BondSpot"** shall mean BondSpot S.A.;

"WSE" shall mean the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.);

"Depository" shall mean an entity maintaining the Securities Account, where the Bonds are registered.

3. INTEREST

3.1 Interest Amount Payment

The Bonds bear interest from the Issue Date (including that day) until the Maturity Date (excluding that date). On each of the following interest payment dates: 27/08/2012, 27/02/2013, 27/08/2013, 27/02/2014, 27/08/2014, 27/02/2015, 27/08/2015, 27/02/2016, 27/08/2016, 27/02/2017, 27/08/2017, 27/02/2018, 27/08/2018, 27/02/2019, (**"the Interest Payment Dates"**) the Issuer shall be obliged to pay interest amount to Bondholders calculated as defined in this Section 3 (*Interest*), subject to provisions of Section 4.3. (**"Interest Amount"**). After the day of dematerialization of the Bonds in KDPW, the Interest Amount shall be paid through KDPW and a relevant Depository based on and according to relevant regulations of KDPW and the given Depository.

3.2 Interest Periods

The Interest Amount shall be calculated separately for each interest period. The interest period shall mean a period from the Issue Date (inclusive) until the first Interest Payment Date (excluding this day) and every subsequent period from the Interest Payment Date (inclusive) until the next Interest Payment Date (excluding this day) (**"the Interest Period"**).

3.3 Charging interest

After the Maturity Date the Bonds no longer bear interest, unless the Issuer delays the payments due under the Bonds. In case of the latter, the Bonds shall bear interest as per statutory interest rate.

3.4 Interest for non-full periods

If the Interest Amount is to be calculated for a period shorter than the full Interest Period, it will be calculated on the basis of the actual number of days in the period from the Interest Payment Date (inclusive) or Issue Date (inclusive) until the day of bonds redemption (excluding that day).

3.5 Calculation of the Interest Amount

On a Business Day preceding the first day of the Interest Period the Calculation Agent shall calculate the Interest Amount as per the following formula:

$$\text{IA} = \text{IR} \times \text{NV} \times \frac{\text{ND}}{365}$$

where:

"**IA**" – shall mean the Interest Amount per a single Bond for a particular Interest Period;

"**IR**" – shall mean the interest rate determined as provided for in Section 3.6 (*Determination of interest rate*);

"**NV**" – shall mean a nominal value of a single Bond;

"**ND**" – shall mean the number of days in the Interest Period,

after rounding up of the result to the nearest *grosz* (where half and more *grosz* will be rounded up).

"**Calculation Agent**" shall mean the Issue Agent performing activities of establishing and calculating the amount of payments under the Bonds as required hereby (and, to avoid doubts, this does not refer to any calculations under Article 6), and is defined herein

3.6 Determination of Interest Rate

- (i) The Interest Rate which shall apply to calculation of the Interest Amount due on a given Interest Payment Date shall be the Rate quoted on a Screen on a relevant Interest Rate Determination Date, increased by a margin of 1.60% ("the Margin").
- (ii) If the Rate quoted on a Screen on a given Interest Rate Determination Date is not available, the Calculation Agent shall immediately request the Reference Banks on the Interest Rate Determination Date to inform major banks operating on the Polish interbank market of the interest rate for 6 month deposits denominated in PLN offered by each of these Reference Banks. If such is the case, the Interest Rate which shall apply for calculation of the Interest Amount due on a given Interest Payment Date shall be the arithmetic average of rates provided by the Reference Banks calculated by the Calculation Agent provided that at least two Reference Banks shall inform of their interest rates, whereby – if required – it shall be rounded to the second decimal place (and 0.005 shall be rounded up) and increased by the Margin.
- (iii) If the Interest Rate for a given Interest Period cannot be established as outlined above, the Interest Rate for such Interest Period shall be determined on the level of the most recent valid interest rate in the immediately preceding Interest Period.

where:

"**Reference Banks**" shall mean PKO Bank Polski S.A., ING Bank Śląski S.A., Bank Pekao S.A., BRE Bank S.A., Bank Handlowy w Warszawie S.A.;

"**Interest Rate Determination Date**" shall mean (i) a day falling two Business Days before the first day of the Interest Period, for which a given interest rate is valid; or (ii) from the day of dematerialization of the Bonds in KDPW, the relevant day shall be determined in accordance with the KDPW regulations;

"Rate quoted on a Screen" shall mean WIBOR interest rate provided by Monitor Rates Services Reuters or its every official successor for 6-month deposits denominated in PLN from quoting on a fixing at 11:00 a.m. or around that time at Warsaw local time, published on the Interest Rate Determination Date, or some other interest rate to replace the above interest rate.

3.7 Notification on Interest Rate and Interest Amount

Until the day of dematerialization of the Bonds in KDPW, but not later than until the end of the Business Day, on which the Interest Amount has been calculated, the Calculation Agent shall notify the Issuer and the Agent of the amount of determined Interest Rate and the Interest Amount. On the following Business Day the Agent shall inform the Bondholders thereof. After the date of dematerialization of the Bonds in KDPW, information on the amount of Interest Rate shall be made available as provided for in the KDPW regulations.

3.8 Calculation Agent

3.8.1 The Issuer shall guarantee that during the entire period until the redemption of the Bonds the function of the Calculation Agent shall be performed by an entity duly appointed for such a purpose.

3.8.2 In Bonds-related matters the Calculation Agent shall act solely as the Issuer's representative and shall not be held liable towards the Bondholders for any payments under the Bonds nor other obligations of or representations made by the Issuer hereunder.

3.8.3 Calculation Agent shall not be liable for any damage incurred by the Issuer or any other person due to determination of the Interest Rate by the Calculation Agent according to quotations and information from sources as specified herein or according to quoting of the Reference Banks, which then turned out to be incorrect, unless the Calculation Agent acted deliberately or negligently. Liability restrictions do not include the liability of the Calculation Agent for errors in calculation of the Interest Rate. The Calculation Agent shall be not obliged to verify interest rates provided to the Calculation Agent by the Reference Banks as specified hereunder.

4. PAYMENTS

4.1 Until the day of dematerialization of the Bonds in KDPW, the payments under the Bonds shall be made in the Identified Office.

4.2 Until the day of dematerialization of the Bonds in KDPW, all Bonds payments shall be made by the Agent on behalf of the Issuer through a wire transfer to the Bondholder's account maintained by the Agent or any other account indicated by the Bondholder in writing not later than on the Record Date. The payments under the Bonds shall not be made to the Bondholder in cash. The payments shall be deemed duly made when credited on the Bondholder's account. Only the Bondholders entered in the Register on the Record Date are entitled to payments under the Bonds, and after the dematerialization of the Bonds in KDPW – the person indicated as the holder of the Securities Account, where the Bonds are entered.

4.3 If the Maturity Date, the Interest Payment Date or any other day, on which the Issuer is obliged to make payment hereunder is a non-Business Day, Bonds redemption or payment of

Interest Amounts shall take place on the first Business Day after that day, and the Bondholders shall not have the right to claim interest for such a period.

For the purpose of these Terms and Conditions of Issue:

"Business Day" shall mean a day (excluding Saturdays, Sundays and public holidays), on which the Agent conducts bank operations, and on which the settlements are made, so as to perform the activities as specified hereunder, and after dematerialization of the Bonds in KDPW, the days specified by KDPW as business days.

and

"Record Date" shall mean (i) 04:30 p.m. on a day that falls two Business Days before the Maturity Date or the Interest Payment Date; or (ii) as of the day of dematerialization of the Bonds in KDPW, a relevant day which according to KDPW is recognised as a day, on which the Bond ownership status is specified, for the purpose of establishing the entities and persons entitled to receive payments under the Bonds on the Interest Payment Date or the Maturity Date.

4.4 Until the date of dematerialization of the Bonds in KDPW, the obligation of the Issuer to make payments under the Bonds is limited to persons, who submitted to the Agent information and documents necessary for making such payments.

4.5 The payments under the Bonds are subject to all provisions on tax and currency and other regulations applicable in the country of payment.

4.6 Subject to provisions of Section 4.3, if the payment of Bond nominal value is not made on the due date, the Bondholder shall be entitled to receive interest from the Issuer, charged from the due date until the day on which the Bondholder receives payment in the amount as provided for in the Regulation of the Council of Ministers of 13th October 2005 on Determination of Statutory Interest (Journal of Laws No. 201, item 1662) or any replacement legal act.

4.7 According to the provisions of Article 11, after the day of dematerialization of the Bonds in KDPW, the payments under the Bonds shall be made through KDPW and a relevant Depository based on and according to relevant regulations of KDPW and the given Depository.

5. **REDEMPTION**

5.1 The Bonds are redeemed on the Maturity Date as per nominal value through Payment Agent or Payment Sub-Agent, accordingly (depending on which of them maintains the Bond Register) or KDPW (after the day of dematerialization of the Bonds in KDPW).

5.2 The Bonds shall be redeemed by making a relevant entry in the Register. After the day of dematerialization of the Bonds in KDPW, the Bonds shall be redeemed through KDPW and a relevant Depository based on and according to relevant regulations of KDPW and the given Depository.

6. **TAXES**

- 6.1 All payments under the Bonds shall be made by or on behalf of the Issuer without any tax deductions, charges or any other civil law fees ("**Taxes**") imposed under the Polish legislation with respect to the Bonds, unless such tax deductions are required by the law.
- 6.2 If a Bondholder acknowledged to be a tax payer within the meaning of the Act of 15th February 1992 on Corporate Income Tax (*consolidated text, Journal of Laws 2000. No. 54, item 654, as amended*) or the Act of 26th July 1991 on Natural Persons' Income Tax (*consolidated text Journal of Laws 2000 No. 14, item 176, as amended*), shall not deliver a valid certificate of residence, referred to in Article 26 Section 1 or Article 29 Section 2 of the above mentioned acts, accordingly to (i) the Agent maintaining the Bond Register (to provide it to the Issuer) until 9:00 a.m on the Record Date at the latest, or (ii) after the dematerialization of the Bonds in KDPW – to the Depository within a specified deadline, the Issuer shall deduct the appropriate tax in full amount.
- 6.3 Until the date of dematerialization of the Bonds in KDPW, the Bondholder shall be obliged to provide the Agent (maintaining the Bond Register) within two (2) Business Days before the Maturity Date or the Interest Payment Date the following information, as required by the Issuer:
- 6.3.1 for natural persons residing in the country: full name, address of residence and Tax Identification Number NIP;
- 6.3.1 for natural persons residing outside the country: full name, country of residence, address of residence, first name of mother and first name of father, date of birth, place of birth, type of identity document and tax identification number or social insurance number, and if no such numbers are available – identity document number; and
- 6.3.3 for legal persons with the registered seat outside the country: full name and address of the registered office, indicating the country, and tax identification number.
- 6.4 After the date of dematerialization of the Bonds in KDPW, the Bondholder shall be obliged to provide the Depository with all information as required by applicable laws with respect to payment of income tax, referred to in Article 6.2.
- 6.5 Notwithstanding the provisions of Sections 6.2 and 6.3, the Issuer may request the Bondholder to provide information or written representations relating to tax status of such a Bondholder, as required by applicable laws.

7. CASES OF VIOLATION

- 7.1 Each Bondholder may submit a written representation (i) until the date of dematerialization of the Bonds in KDPW – to the Issuer through the Agent (maintaining the Bond Register), whereby a copy of such a representation must be also sent to the Issuer, or (ii) after dematerialization of the Bonds in KDPW – directly to the Issuer; with the request for immediate redemption of the owned Bonds at their nominal value, including Interest Amounts accrued until the date of submitting such representation, if any of the below cases occurs (hereinafter referred to separately as "**Violation Case**"):
- 7.1.1 The Issuer does not pay the Interest Amount due on the Interest Payment Date;

- 7.1.2 The Issuer does not provide the Bondholder with financial statements as required by the Act on Bonds and such negligence is not removed within 5 Business Days from the date the Bondholder submits a written representation with a request to remove such a negligence to the Issuer;
- 7.1.3 a court decision is issued on dissolution of the Issuer or a resolution on dissolution of the Issuer is adopted by the Issuer's general meeting;
- 7.1.4 (i) The Issuer does not pay its Financial Liabilities on time, which in total or as a single amount exceed EUR 50,000,000 (in words: fifty million euro) or its equivalent denominated in other currency as per average exchange rate of the National Bank of Poland (NBP) of the day the payment has not been made on time; or (ii) in a violation case (described whatsoever) the Financial Liability, in total or as a single amount exceeding EUR 50,000,000 (in words: fifty million) or equivalent of this amount in other currency calculated as per average exchange rate of NBP (of the day of such event) shall be due and payable before the primary maturity period; or (iii) total or single amount of such Financial Liabilities exceeding EUR 50,000,000 (in words: fifty million) or equivalent of this amount in other currency calculated as per average exchange rate of NBP (of the day of such event) shall be cancelled or suspended in the event of violation case (described whatsoever). "**Financial Liability**" shall mean an obligation to return money due to a loan, leasing, factoring, credit agreement, bill of exchange, issue of bonds or other debt securities similar to bonds and bills of exchange, as well as liabilities resulting from a warranty or guarantee, acceptance of a debt or liabilities or other financial liabilities due to performed derivative operations;
- 7.1.5 Any part of the Issuer's assets are seized, enforcement has been initiated, which has not been remitted or cancelled within 90 days, and if an appeal has been lodged, it has not been withheld until such an appeal is considered and regards the amount exceeding EUR 50,000,000 (in words: fifty million) or equivalent of this amount in other currency calculated as per average exchange rate of NBP of the day of such event;
- 7.1.6 (i) The Issuer shall become insolvent within the meaning of Article 11 of the Act of 28th February 2003 - Bankruptcy and Reorganisation Law; or (ii) persons authorised to act on behalf of the Issuer shall acknowledge in writing the bankruptcy of the Issuer; or (iii) due to loss of liquidity or deterioration of financial situation the Issuer shall start negotiations with one or more creditors to remit the debt in part or in total; or (iv) a petition for announcement of bankruptcy by liquidation or arrangement of the Issuer due to its insolvency, and such a petition is not withdrawn or rejected or any proceedings based on such a petition shall not be terminated in any way within 90 days from a day on which such petition has been duly submitted; or (v) the Issuer shall makes representation on initiation of reorganisation proceedings, referred to in Article 494 Section 1 of the Act of 28th February 2003 – Bankruptcy and Reorganisation Law(*Journal of Laws of 2003, No. 60, item 535, as amended*);
- 7.1.7 The Issuer issued debt securities on Polish or international financial market secured in rem on the Issuer's assets, unless prior to issue of such securities the Issuer shall establish the same security for the Bondholders. For avoidance of doubts, any guarantees or warranties of unsecured in rem on the Issuer's assets granted by the

Issuer for bonds or other debt securities issued on the international financial market by a special purpose vehicle affiliated with or subsidiary to the Issuer, established for the purpose of issue of bonds or debt securities, of which funds will be transferred to the Issuer, shall not be considered a Violation Case;

- 7.1.8 In a given calendar year of the Programme one or more lawful or final administrative decisions are made towards the Issuer, calling the Issuer to pay a total amount exceeding 10% (in words: ten percent) of own capital, if it causes serious liquidity problems of the Issuer;
- 7.1.9 In a given calendar year of the Programme one or more lawful or final administrative decisions are made towards the Issuer calling the Issuer to pay a total amount of PLN 100,000,000 (in words: one hundred million zlotys) or its equivalent in other currency as per average exchange rate of NBP of the day of such decision or final administrative decision, and the amount shall not be paid by the Issuer within 30 days from the due date, if it causes serious liquidity problems of the Issuer;
- 7.1.10 Entity of a rating lower than BBB assigned by Standard & Poor's Ratings Services, or its equivalent granted by Moody's Investors Services or Fitch Ratings, in a single or a series of transactions shall purchase 50% of shares in share capital of the Issuer or shall otherwise gain control over the Issuer,

whereby the Bondholder's representation should clearly indicate a given Violation Case.

7.2 If the Bondholder makes a representation as referred to in Section 7.1, the Bonds shall become mature immediately upon receipt of the given representation by the Agent (until the date of dematerialization of the Bonds in KDPW) or the Issuer (after the date of dematerialization of the Bonds in KDPW). The Issuer shall be obliged to make a payment, through the Agent, of a nominal value of each Bond due, including the Interest Amount charged until that day, to the Bondholder. If the Bonds are dematerialized in KDPW, earlier redemption shall be made according to the KDPW regulations.

8. NOTIFICATIONS

Until the date of dematerialization of the Bonds in KDPW, all notifications addressed to Bondholders shall be sent via registered mail to the address provided to the Agent.

9. INFORMATION OBLIGATIONS

Until the Bond Maturity Date the Issuer shall be obliged under the Act on Bonds to provide the Bondholders with annual financial statements including the auditor's report. The statements shall be available at the registered office of the Issuer or until the Issuer's company shall remain listed on the WSE – on its website www.orken.pl or any other website to replace it.

10. APPLICABLE LAW

The Bonds are subject to the Polish law and their terms and conditions shall be interpreted according to this law.

11 BONDS LISTED ON ATS

- 11.1 Within 90 days of the Issue Date, the Issuer shall be obliged to dematerialize the Bonds in KDPW within the meaning of the Act on Trading and cause that they are admitted for trading within the alternative trading system organized by BondSpot and/or WSE.
- 11.2 Once the Bonds are registered in KDPW and admitted for trading within ATS, all provisions hereof on acting as the Issue Agent by Bank Pekao, and as the Sub-Agent by ING Bank Śląski SA: (i) shall be replaced with KDPW, BondSpot and/or WSE regulations on maintaining the Bond Register and making payments of the Bond Interest Amounts and redemption of Bonds; (ii) within the scope in which the obligations of the issue agent and the sub-agent as per regulations of KDPW, BondSpot and/or WSE shall be transferred to KDPW or other entities, whereas the issue agent and the sub-agent shall be released of these obligations.

12. AGENT FUNCTION

- 12.1 In Bond-related matters the Agent acts solely as an attorney of the Issuer and shall not be liable towards the Bondholders for any Interest Amount payments by the Issuer or redemption of Bonds, nor for any other Issuer's obligations arising under the Bonds. The Agent shall not act as a representative within the meaning of Article 29 of the Act on Bonds, and shall not be obliged to represent the Bondholders towards the Issuer.
- 12.2 Within the scope of conducted activities, the Agent cooperates with the Issuer on different services and has information which may be relevant within the context of the financial situation of the Issuer and the Issuer's ability to meet obligations arising under the Bonds, however, the Agent shall not be entitled to make this information available to the Bondholders, unless the Issuer indicates the documents or information, which can be provided to the Bondholders in relation to the Bonds and the performance of the function of the Agent. Conducting particular Bond-related activities by the Agent shall not preclude the Agent or its subsidiaries or affiliates, including the Agent's capital group, from rendering other services to the Issuer, including advisory services or cooperation with the Issuer in any other scope or form.

Signature

pis: 
Zosta Dyrektora
Biuro Zarządzania Finansami
Mariusz Ochocki

Kierownik
Dział Gospodarki Pieniężnej

Edwina Lewtak

on behalf of Polski Koncern Naftowy ORLEN S.A.



Płock, 19th March 2012

To Bondholders of the ORLEN002 270219 series Bonds

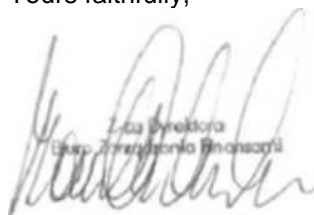
Dear Sirs,

With reference to the provisions of Terms and Conditions of Issue of the ORLEN002 270219 series Bonds issued on 27th February 2012 by Polski Koncern Naftowy ORLEN SA ("the Bonds"), herewith we would like to inform that after the date of the dematerialization of the Bonds in KDPW SA, as no detailed regulations apply in this regard, the Interest Rate Determination Date as defined in Article 3 6 of the Terms and Conditions of Issue shall be the day that falls two Business Days before the first day of the Interest Period, for which a particular interest rate is to be valid, i.e. as per rule applicable until the date of dematerialization of the Bonds in KDPW SA.

Should KDPW SA introduce any regulations on establishing of Interest Rate Determination Date, such regulations shall apply upon prior notification of all Bondholders by the Issuer.

All capitalized terms have the meaning as referred to in the Terms and Conditions of Issue of ORLEN002 2 70219 series Bonds.

Yours faithfully,


Lata Dyrektora
Dziś. Zarządzenia Finansacji
Mariusz Ochodki

Kierownik
Dział Gospodarki Pieniężnej

Elwira Lewtak