

**Regulatory announcement no 41/2005 dated June 30th, 2005**  
**Updated Corporate Governance Statement**

Polski Koncern Naftowy ORLEN S.A. ("PKN ORLEN"), Central Europe's largest downstream oil company, hereby announces the updated corporate governance statement in accordance with the resolution no 55 dated 29 June 2005 of Ordinary General Meeting of Shareholders of PKN ORLEN.

**Representation concerning the corporate governance principles for joint-stock companies issuing shares, convertible bonds or bonds with preemptive rights which are admitted to public trading, adopted by the Warsaw Stock Exchange**

	<b>PRINCIPLE</b>	<b>YES/ NO/ PARTIALLY</b>	<b>PKN ORLEN's commentary</b>
<b><u>GENERAL PRINCIPLES</u></b>			
I	<p><b><u>Objective of the company</u></b>                      The basic objective of operations of a company's bodies is to further the interest of the company, i.e. to increase the value of the assets entrusted by its shareholders, with consideration to the rights and interests of entities other than shareholders, involved in the functioning of the company, including, in particular, the company's creditors and employees.</p>	<b>Yes</b>	<i>The Management Board of PKN ORLEN makes every effort to ensure that the Company conducts effective business activity, with consideration to the rights and interests of the shareholders and stakeholders.</i>
II	<p><b><u>Majority rule and protection of minority</u></b>                      A joint-stock company is a capital venture, and therefore, it must respect the principle of capital majority rule, and the primacy of majority over minority. A shareholder who contributes more capital also bears a higher economic risk. It is, therefore, justified that his interest be taken into consideration in proportion to the contributed capital. The minority must have a guarantee of proper protection of their rights, within limits set by law and commercial integrity. While exercising its rights, the majority shareholder should take into account the interests of the minority.</p>	<b>Yes</b>	<i>The Company's activities are subordinated to the joint interests of all shareholders, and not the interest of one person or organisation, hence PKN ORLEN fully abides by the principle of a majority rule, while respecting the rights of minority within the limits set by law and the Company's Articles of Association.</i>
III	<b><u>Honest intentions and non-abuse of rights</u></b>	<b>Yes</b>	

	The exercise of rights and the reliance on legal institutions should be based on honest intentions (good faith) and cannot reach beyond the purpose and economic reasons for which these institutions have been established. No activities should be taken which exceed the limits so set, and which thus constitute an abuse of the law. The minority should be protected against abuse of ownership rights by the majority and the interests of the majority should be protected against abuse by the minority of its rights, thus ensuring the best protection of equitable interests of the shareholders and other market participants.		<i>Members of the Company's bodies and the Company's employees exercise their rights and perform their obligations in good faith and with utmost care, within the limits set by law, their objective being to achieve the economic goals for which the Company was established. The Company's employees have drawn up a code of conduct which is observed in everyday work. Neither the members of the Company's bodies nor the Company's employees engage in any actions which could result in a conflict of interests.</i>
IV	<b><u>Court control</u></b> Neither the company's bodies, nor persons chairing a General Meeting, may decide on issues which should be resolved by court judgements. This does not apply to activities which are within the powers of the company's bodies and of persons chairing General Meetings, or which they are obliged to undertake by force of law.	<b>Yes</b>	<i>The Company's bodies and the persons chairing General Meetings act in accordance with their respective scopes of competence and in a manner defined in the applicable laws, and refrain from deciding on issues which should be submitted for resolution to courts.</i>
V	<b><u>Independent opinions ordered by the company</u></b> When choosing an entity which is to provide expert services, including in particular the services of an expert auditor, financial and tax advisory services, as well as legal services, the company should consider whether there exist circumstances limiting the independence of this entity when performing the entrusted tasks.	<b>Yes</b>	<i>In choosing an entity which is to provide expert services, including the appointment of a chartered auditor, the Company abides by the relevant procedures to ensure the independence of the entity and the observance of the principle of fair competition.. In particular, the Company ensures that the auditing services and the advisory services it uses are provided by separate entities, and the expert auditor is selected by the Supervisory Board.</i>
<b><u>BEST PRACTICES OF GENERAL MEETINGS</u></b>			
1	A General Meeting should take place in a location and at a time to allow the participation of as many shareholders as possible.	<b>Yes</b>	<i>General Meetings of PKN ORLEN are held in the Company's registered offices in Płock, but in accordance with the Company's Articles of Association they may also be held in Warsaw.</i>
2	A request for convening a General Meeting and placing	<b>Yes</b>	<i>Accepting the general idea and the assumptions behind this</i>

	<p>certain issues on its agenda, made by parties so entitled, should be justified. Draft resolutions proposed to be adopted by the General Meeting and other key documents should be presented to the shareholders along with a justification and an opinion of the Supervisory Board prior to the General Meeting, in advance so as to allow them to review and evaluate the same.</p>		<p><i>principle, the Company declares that appropriate provisions will be included in the Rules of the General Meeting.</i></p>
3	<p>A General Meeting convened at the request of shareholders should be held on the date given in the request, and if this date cannot be kept, on the closest date which will allow the General Meeting to settle the issues placed on its agenda.</p>	<p><b>Yes</b></p>	<p><i>Respecting the shareholders' rights under the law or the Company's Articles of Association, the Management Board of PKN ORLEN takes into account the shareholders' proposals as to the date on which a General Meeting should be held, unless there are obstacles of a formal (legal) nature or objective reasons for which a General Meeting cannot be held on the date requested by a shareholder.</i></p>
4	<p>A General Meeting whose agenda includes certain issues at the request of authorised entities or which has been convened at such request may be cancelled only upon consent of the requesting parties. In all other instances, a General Meeting may be cancelled if its holding is hindered (force majeure) or is obviously groundless. The meeting is called off in the same manner as it has been convened, ensuring as little negative consequences for the company and its shareholders as possible, and in any case no later than three weeks prior to the original date of the meeting. A change in the date of the General Meeting is made in the same manner as the cancellation, even if the proposed agenda does not change.</p>	<p><b>Yes</b></p>	<p><i>Should a necessity to cancel a General Meeting occur in the future and be justified by exceptional circumstances, the Management Board will take steps to minimize the negative consequences of the cancellation for the shareholders.</i></p>
5	<p>In order for a representative of a shareholder to participate in a General Meeting, his right to act on behalf of the shareholder should be duly documented. It should be presumed that a written document confirming the right to represent a shareholder at a General Meeting is in conformity with the law and does not require any additional confirmations and acknowledgements unless its authenticity</p>	<p><b>Yes</b></p>	<p><i>The right to act on behalf of a shareholder is deemed by the Company to be duly documented if the Company is presented with a written power of proxy prepared and executed in accordance with the provisions of the law and granted by persons who – in accordance with a valid excerpt from a relevant register presented to the Company – are authorised to do so.</i></p>

	or validity prima facie raises doubts by the company's management board (upon drawing up the attendance list) or the chairman of the General Meeting.		
6	The General Meeting should have regular by-laws setting forth the detailed principles of conducting the meetings and adopting resolutions. The by-laws should contain, in particular, provisions concerning elections to the supervisory board by voting in separate groups. The by-laws should not be subject to frequent changes; it is advisable that the changes enter into force as of the subsequent General Meeting.	Yes	<i>General Meetings of PKN ORLEN are held in compliance with the binding laws, provisions of the Company's Articles of Association and Rules of the General Meeting. The Rules of the General Meeting contain provisions concerning election of members of the Supervisory Board, but do not provide for voting in separate groups. The Management Board will present to the shareholders the proposal to incorporate provisions on voting in separate groups into the Rules.</i>
7	A person opening the General Meeting should procure an immediate election of the chairman of the meeting, and should refrain from any substantial or formal decisions.	Yes	<i>In accordance with the Rules of the General Meeting a person opening the General Meeting initiates the meeting and procures the election of the chairman. Once elected, the Chairman starts presiding over the meeting. Neither the Articles of Association nor the Rules of the General Meeting provide for any other role by or grant any other powers to a person opening the General Meeting.</i>
8	The chairman of the General Meeting ensures an efficient conduct of the meeting and observance of the rights and interest of all shareholders. The chairman should counteract, in particular, the abuse of rights by the participants of the meeting and should guarantee that the rights of minority shareholders are respected. The chairman should not, without sound reason, resign from his function, or put off the signing of the minutes of the meeting.	Yes	<i>The Rules of the General Meeting specify the powers and duties of the Chairman of the General Meeting to the extent necessary for efficient and correct conduct of the meeting and observance of the rights of all the shareholders in line with the established practice, binding laws, the Company Articles of Association and the Rules of the General Meeting.</i>
9	A General Meeting should be attended by members of the Supervisory Board and the Management Board. An expert auditor should be present at an annual General Meeting and at an extraordinary General Meeting if financial matters of the company are to be discussed. An absence of a Management Board or Supervisory Board member at a	Yes	<i>Members of the Management and the Supervisory Boards provide the shareholders during a General Meeting, within the limits of their powers, with explanations and information with respect to the issues under consideration. The Company will ensure that General Meetings whose agendas include financial matters, in particular approval</i>

	General Meeting requires an explanation. Such an explanation should be presented at the General Meeting.		<i>of financial statements of the Company or its Group, are attended by an auditor prepared to provide explanations or information concerning its audit and opinion.</i>
10	Members of the Supervisory Board and the Management Board and the expert auditor of the company should, within their powers and to the extent necessary for the settlement of issues discussed by the General Meeting, provide the participants of the meeting with explanations and information concerning the company.	<b>Yes</b>	<i>Members of the Company's Management and Supervisory Boards present at a General Meeting will make every effort to provide the shareholders, within their powers, with information and explanations connected with the issues under consideration.</i>
11	All answers provided by the Management Board to the questions posed by the General Meeting should take into account the fact that the reporting obligations are performed by a public company in a manner which follows from the Law on Public Trading in Securities, and certain information cannot be provided otherwise.	<b>Yes</b>	<i>Members of the Company's Management and Supervisory Boards and the auditor present at the General Meeting provide explanations and give information to the extent complying with the limitations under the existing legal framework concerning reporting obligations binding on a public company.</i>
12	Short breaks in the session which do not defer the session, ordered by the chairman in justified cases, cannot be aimed at hindering the exercise of the rights by the shareholders.	<b>Yes</b>	<i>In accordance with the Rules of the General Meeting the Chairman may order a break, however such a break may in no way violate any provisions of the effective statutes or defer the session or hinder the exercise of the rights by the shareholders, as any such break is technical in nature.</i>
13	Voting on procedural matters may be carried out only on issues related to the conduct of the meeting. This voting procedure cannot apply to resolutions which may have impact on the exercise by the shareholders of their rights.	<b>Yes</b>	<i>In accordance with the Rules of the General Meeting, only motions relating to the conduct of the meeting are considered motions on procedural matters.</i>
14	A resolution not to consider an issue placed on the agenda may be adopted only if it is supported by important reasons. A motion in this respect should be accompanied by a detailed justification. Removing an item from the agenda or a decision not to consider an issue placed on the agenda at the request of the shareholders requires a resolution of the General Meeting, adopted following approval by all the present shareholders who submitted such a request, and supported by 75% of the shareholders voting at the General Meeting.	<b>Yes</b>	<i>With a view to ensuring the stability of the Company's General Meeting and accepting the idea and the assumptions behind this principle, the Company declares that it will apply this principle and introduce appropriate amendments to the Articles of Association.</i>

15	A party objecting to a resolution must have an opportunity to concisely present the reasons for its objection.	Yes	<i>The Rules of the General Meeting as currently in force guarantee to its participants a possibility to present the reasons for their objection with respect to an adopted resolution.</i>
16	Due to the fact that the Commercial Partnerships and Companies Code does not provide for court control in the event where a resolution is not adopted by the General Meeting, the Management Board or the Chairman of the Meeting should form the resolutions in such a way that each person who does not agree with a decision being the subject of the resolution, has the possibility of challenging the same; provided that he is entitled to do so.	Yes	<i>Accepting the general idea and the assumptions behind this principle, the Company declares that it will seek to apply this principle and include appropriate provisions in the Rules of the General Meeting.</i>
17	At the request of a participant in the General Meeting, his written statement is recorded in the minutes.	Yes	<i>During General Meetings the shareholders are absolutely free to make written statements in connection with the discussed issues, and to have those statements included in the minutes at their request.</i>
<b><u>BEST PRACTICES OF SUPERVISORY BOARDS</u></b>			
18	The Supervisory Board submits to the General Meeting an annual concise evaluation of the company's standing. The evaluation should be made available to all shareholders early enough to allow them to become acquainted with the same before the annual General Meeting.	Yes	<i>Intending to ensure the possibility of accurate evaluation of the Company by the shareholders, and accepting the general idea and the assumptions behind this principle, the Company declares that it will apply this principle and incorporate a provision similar to the wording of this principle to the Rules of the Supervisory Board.</i>
19	A member of the Supervisory Board should have relevant education, professional and practical experience, be of high moral character and be able to devote all the time required to properly perform the function on the Supervisory Board. Candidates for members of the Supervisory Board should be presented and supported by reasons in sufficient detail to allow an educated choice.	Yes	<i>Members of the Supervisory Board are evaluated by those considered by the Company to be the most competent to do so, namely the investors, who entrust the Company with their capital and place their trust in the members of the Supervisory Board, which is manifest in the very election and appointment of these persons to perform this responsible function by the General Meeting.</i>

20	<p>a) At least one-half of the members of the Supervisory Board should be independent members, subject to item d) below. Independent members of the Supervisory Board should not have any relations with the company and its shareholders or employees, which relations could have a significant impact on the ability of the independent member to make impartial decisions;</p> <p>1. Detailed criteria of independence should be laid down in the statutes of the company<sup>1</sup>;</p> <p>2. Without the consent of the majority of independent members of the Supervisory Board, no resolutions should be adopted on the following issues:</p> <p>a) actions of any kind by the company and any entities associated with the company in favour of members of the Management Board;</p> <p>b) consent to the execution by the company or a subsidiary of any key agreement with an entity associated with the company, member of the Supervisory Board or the Management Board, and with their associated entities; and</p> <p>c) appointment of an expert auditor to audit the financial statements of the company.</p> <p>b) In companies where a single shareholder holds an interest conferring the right to more than 50% of the total vote, the Supervisory Board should include at least two independent members, including an independent chairman of the audit committee, if such committee was established.</p>	<p><b>Partially</b></p>	<p><i>Par. 8.5 of the Articles of Association state that at least two members of the Supervisory Board have to comply with the following independent criteria stated within the Articles of Association.</i></p> <p><i>Within the meaning of these Articles of Association „the Affiliated Entity” means that it is Dominant towards the Company, Dependent Entity towards the Company or Dependent Entity towards the Company’s Dominant Entity.</i></p> <p><i>Within the meaning of these Articles of Association an entity is „Dependent Entity” towards another entity (Dominant Entity) if Dominant Entity:</i></p> <p><i>a) has a majority votes in authorities of another entity (Dependent Entity), also on the basis of agreements with other entitled parties, or</i></p> <p><i>b) is entitled to appoint or remove from office majority of members of other entity (Dependent Entity) management authorities, or</i></p> <p><i>c) more than half of the members of the board of the second entity (Dependent Entity) are at the same time members of the board or managers of the first entity or other entity remaining with the first one in dependence relation.</i></p> <p><i>Dependent Entity of the Company’s Dominant Entity is also an entity which is Dependent towards another entity which remains in dependence relation towards the Dominant Entity towards the Company.</i></p>
21	<p>A supervisory board member should, above all, bear in mind the interests of the company.</p>	<p><b>Yes</b></p>	<p><i>When performing their duties, members of the Supervisory Board act with a view to increasing the Company’s value in</i></p>

<sup>1</sup> **The Best Practices Committee recommends principles based on the EU standards, i.e. the criteria of independence provided for in the Commission Recommendation on strengthening the role of non-executive or supervisory directors ([http://europa.eu.int/comm/internal\\_market/company/independence/index\\_en.htm](http://europa.eu.int/comm/internal_market/company/independence/index_en.htm)).**

			<i>the interest of all the shareholders.</i>
22	Members of the Supervisory Board should take relevant actions in order to receive from the Management Board regular and complete information on any and all significant issues concerning the company's operations and on risks related to the business being conducted and the ways of managing such risk.	<b>Yes</b>	<i>Acting as part the collegiate body which, in the case of a joint-stock company, is the Supervisory Board, and exercising all their rights under relevant statutes and the Company's Articles of Association, members of the Supervisory Board are regularly informed on how individual transactions are carried out and on any other significant issues. In addition, permanent Committees have been established within the Supervisory Board, to constantly monitor specific areas of the Company's operations.</i>
23	A Supervisory Board member should inform the remaining members of the board of any conflict of interest that arises, and should refrain from participating in discussions and from voting on passing a resolution on the issue in which the conflict of interest has arisen.	<b>Yes</b>	<i>It follows from to-date experience that members of the Supervisory Board refrained from participating in discussions and from voting on resolutions which could potentially result in a conflict of interests. Notwithstanding that, the Company declares that it will apply this principle and incorporate it in the Rules of the Supervisory Board.</i>
24	Information on the personal, actual and organisational connections of a Supervisory Board member with a given shareholder, and in particular with the majority shareholder should be made available to the public. The company should have a procedure in place for obtaining information from members of the Supervisory Board and for making it available to the public.	<b>Yes</b>	<i>Accepting the general idea and the assumptions behind this principle, the Company declares that it will put in place relevant procedures for obtaining information and for making it available to the public.</i>
25	Supervisory Board meetings, save for issues which directly concern the Management Board or its members, and in particular their removal, liability and the setting of their remuneration, should be accessible and open to members of the Management Board.	<b>Yes</b>	<i>Accepting the general idea and the assumptions behind this principle, the Company has introduced relevant provisions to the Rules of the Supervisory Board.</i>
26	A Supervisory Board member should enable the Management Board to present publicly and in an appropriate manner information on the disposal or acquisition of shares of the company or of its dominant entity or subsidiaries, and of transactions with such	<b>Yes</b>	<i>In accordance with the regulations currently in force and the Company's internal procedures, members of the Supervisory Board provide the Management Board with any relevant information to be announced to the public.</i>

	companies, provided that such information is relevant for his financial standing.		
27	<p>Remuneration of members of the Supervisory Board should be established according to transparent procedures and rules. The remuneration should be fair, but should not constitute a significant cost item in the company's business or have material impact on its financial results. It should also be in reasonable relation to the remuneration of members of the Management Board. The aggregate remuneration of all members of the Supervisory Board as well as individual remuneration of each member of the Supervisory Board should be disclosed and itemised in the annual report, together with information on the procedures and rules of establishing the remuneration.</p>	Yes	<i>Remuneration of members of the Supervisory Board does not constitute a significant cost item in the Company's business. The aggregate remuneration of all members of the Supervisory Board as well as individual remuneration of each member is disclosed in the annual report.</i>
28	<p>The Supervisory Board should operate in accordance with its by-laws which should be available to the public. The by-laws should provide for creation of at least two committees:</p> <ul style="list-style-type: none"> <li>• audit committee and</li> <li>• remuneration committee.</li> </ul> <p>The audit committee should include at least two independent members and at least one member qualified and experienced in accountancy and finance. The duties of the Committees should be specified in detail in the by-laws of the Supervisory Board. The Supervisory Board Committees should submit to the Supervisory Board annual reports on their activities. Such reports should be made available by the company to its shareholders.</p>	Yes	<i>The Company is currently amending the Rules of the Supervisory Board in order to introduce the provisions reflecting general ideas and assumptions behind the Best Practices of Supervisory Boards. Following the amendment, the Rules of the Supervisory Board will be made available to the public.</i>
29	<p>The agenda of a Supervisory Board meeting should not be amended or supplemented during the meeting which it concerns. This requirement does not apply if all members of the Supervisory Board are present and agree to the amendment or supplementation of the agenda, and in instances where the adoption of certain activities by the Supervisory Board is necessary in order to protect the company against damage and in the case of a resolution</p>	Yes	<i>Any changes to the agenda require the presence and consent of all members of the Supervisory Board. Any other reasons for changes to the agenda following from this principle will be incorporated in the Rules of the Supervisory Board.</i>

	which concerns the determination whether there exists a conflict of interest between a Supervisory Board member and the company.		
30	A Supervisory Board member delegated by a group of shareholders to permanently exercise supervision should submit to the Supervisory Board detailed reports on the performance of his task.	<b>Yes</b>	<i>Accepting the general idea and the assumptions behind this principle, the Company declares that it will apply this principle and incorporate a provision similar to the wording of this principle to the Rules of the Supervisory Board.</i>
31	A Supervisory Board member should not resign from his function during a term of office if this could render the functioning of the board impossible, and in particular, if it could hinder the timely adoption of an important resolution.	<b>Yes</b>	<i>Members of the Supervisory Board make every effort in their decisions not to hinder the timely adoption of resolutions.</i>
<b><u>BEST PRACTICES OF MANAGEMENT BOARDS</u></b>			
32	Bearing in mind the interest of the company, the Management Board sets forth the strategy and the main objectives of the company's operations, and submits them to the Supervisory Board. The Management Board is liable for the implementation and performance of the same. The Management Board cares for transparency and effectiveness of the company management system and the conduct of its business in accordance with legal regulations and best practice.	<b>Yes</b>	<i>The Management Board of PKN ORLEN sets forth the strategy for the Company and the objectives of its operations, ensuring the transparency and effectiveness of the Company's managements system. In accordance with the provisions of the Company's Articles of Association, strategic long-term plans are submitted for approval by the Supervisory Board.</i>
33	When making decisions on corporate issues, members of the Management Board should act within the limits of justified economic risk, i.e. after consideration of all information, analyses and opinions, which, in the reasonable opinion of the Management Board, should be taken into account in a given case in view of the company's interest. When determining what is in the interest of the company, the justified long-term interests of shareholders, creditors, employees and other entities and persons co-operating with the company, as well as the interests of the local community, should be taken into account.	<b>Yes</b>	<i>When making decisions, Members of the Management Board of PKN ORLEN act in accordance with interests of the Company, its shareholders and other stakeholders using their knowledge and experience.</i>

34	In transactions with shareholders and other persons whose interests have impact on the interest of the company, the Management Board should act with utmost care to ensure that the transactions are at arms' length.	<b>Yes</b>	<i>In transactions with shareholders and other persons whose interests have impact on the interest of the Company, the Management Board acts with utmost care to ensure that the transactions are at arms' length.</i>
35	A Management Board member should display full loyalty towards the company and avoid any actions which could result exclusively in enhancing said member's own material interest. If a Management Board member receives information on the possibility of making an investment or other advantageous transaction concerning the business of the company, he should present such information immediately to the Management Board for the purpose of considering the possibility of the company taking advantage of it. Such information may be used by a management board member or be passed over to a third party only upon consent of the Management Board and only when this does not infringe upon the company's interest.	<b>Yes</b>	<i>Members of the Management Board have become acquainted with this principle and have undertaken to abide by it to the extent corresponding with this representation.</i>
36	A Management Board member should treat his shares in the company and in its dominant companies and subsidiaries as a long-term investment.	<b>Yes</b>	<i>Members of the Management Board who hold PKN ORLEN's shares identify themselves with the shareholders and by treating the investment in their Company shares as a long-term investment contribute to the growth of the shares value.</i>
37	Management Board members should inform the Supervisory Board of each conflict of interest in connection with the performed functions or of the risk of such conflict.	<b>Yes</b>	<i>To date there has never been a conflict of interest of a Management Board member due to his/her function in the Management Board. If such a conflict of interest does occur, the Management Board will immediately inform the Supervisory Board of this fact.</i>
38	The remuneration of Management Board members should be set based on transparent procedures and principles, taking into account its incentive nature and ensuring effective and smooth management of the company. The remuneration should correspond to the size of the company's business enterprise, should be reasonable in relation to the economic results, and be related to the scope of liability resulting from a given function, taking into account the level of	<b>Yes</b>	<i>The remuneration of Management Board members includes basic remuneration, determined by the Supervisory Board in the managerial contracts, and annual bonuses. The payment rules are defined by the Supervisory Board, based predominantly on objective criteria.</i>

	remuneration of members of management boards in similar companies in a similar market.		
39	The aggregate remuneration of all members of the Management Board, as well as individual remuneration of each member of the Management Board, should be disclosed and itemised in the annual report, together with the information on the procedures and rules of establishing the remuneration. If the amount of remuneration of individual members of the Management Board significantly differs, it is recommended that a relevant explanation be published.	Yes	<i>The aggregate remuneration of all members of the Management Board, as well as individual remuneration of each member of the Management Board, is disclosed in the Company's annual report.</i>
40	The Management Board should lay down the principles and procedure of operations and allocation of powers in the by-laws which should be open and generally available.	Yes	<i>The Company is currently amending the Rules of the Management Board in order to introduce the provisions reflecting general ideas and assumptions behind the Best Practices. Following the amendment, the Rules of the Supervisory Board will be made available to the public.</i>
<b><u>BEST PRACTICES IN RELATIONS WITH THIRD PARTIES AND THIRD PARTY INSTITUTIONS</u></b>			
41	The selection of an expert auditor for a company should guarantee impartiality of performance of the entrusted tasks.	Yes	<i>The Supervisory Board selects an auditor having regard for the impartiality and objectivity of the choice itself as well as of the performance of the tasks by the auditor.</i>
42	In order to ensure impartiality of opinion, the company should change the expert auditor at least once every five years. The change of expert auditor shall include a change of the person conducting the audit. Furthermore, the company should not use the services of the same auditing entity over a long period.	Yes	<i>The Company has adopted and applies the rule that auditors are changed at least once every five years.</i>
43	The entity performing the function of an expert auditor should be selected by the Supervisory Board of the company, upon receiving recommendations from the audit committee, or by the General Meeting, upon receiving recommendations from the Supervisory Board, including recommendations of the audit committee. In the event of selection of a different expert auditor by the Supervisory	Yes	<i>Pursuant to the Company's Articles of Association auditors are selected by the Supervisory Board. Appropriate supplementary regulations will be introduced to the Rules of the Supervisory Board.</i>

	Board or the General Meeting than recommended by the Audit committee, the decision requires a detailed justification. Information on the selection of the entity to perform the function of an expert auditor, along with the justification, should be included in the annual report.		
44	An auditor auditing, currently or in the audited period, annual reports of a company or its subsidiaries cannot act as a special purpose auditor for the same company.	<b>Yes</b>	<i>The Company declares that it will apply this principle and not appoint its auditors or auditors of its subsidiaries as special purpose auditors.</i>
45	A company should acquire its own shares in such a way that no group of shareholders be privileged.	<b>Yes</b>	<i>Having regard to the equal rights of all the shareholders, the Management Board shall exercise utmost care to ensure that no group of shareholders is privileged should such a transaction ever take place.</i>
46	The statutes of the company, its basic internal regulations, information and documents related to General Meetings, and the financial statements should be made available in the registered head office of the company and on its website.	<b>Yes</b>	<i>The Company guarantees full disclosure and availability of all the information which is material for the shareholders, unless the disclosure of such information would be contrary to the Company's interest.</i>
47	The company should have proper media relations procedures and regulations, and an information policy ensuring coherent and reliable information about the company. The company should, in compliance with the legal regulations and taking into account its interests, make available to mass media representatives information on its current operations and business standing, and allow their presence at General Meetings.	<b>Yes</b>	<i>PKN ORLEN has implemented information policy procedures which ensure that that the public obtains reliable information about the Company. The Company discloses to the mass media the data concerning its current activities and business standing in compliance with the provisions of the Polish Securities Act.</i>
48	In its annual report, a company should make public its declaration on the application of corporate governance standards. If the standards are not applied to any extent, the company should also publicly explain this fact.	<b>Yes</b>	<i>From the time of publication of this representation on the compliance with the corporate governance principles, the Management Board of PKN ORLEN will exercise utmost care to inform all participants of the capital market of any deviation from the adopted principles, in such manner and at such times as specified by the Management Board and Supervisory Board of the Warsaw Stock Exchange.</i>