



Statement of reasons for the resolution to approve the disposal of 100% of shares in Gas Storage Poland Sp. z o.o. of Dębogórze

To the Extraordinary General Meeting of ORLEN S.A.

Dear Shareholders,

By Decision No. DKK – 82/2022 of March 16th 2022, the President of the Office of Competition and Consumer Protection (the “**President of UOKiK**”) approved the concentration involving the merger of ORLEN S.A. of Płock (“**Orlen**”, the “**Company**”) and Polskie Górnictwo Naftowe i Gazownictwo S.A. of Warsaw (“**PGNiG**”), subject to certain conditions, including the condition that Orlen divests of, or causes the divestment of, control over Gas Storage Poland sp. z o.o. of Dębogórze (“**GSP**”, “**Gas Storage Poland**”), in a permanent and irreversible manner, to an Independent Investor within 12 months from the merger date. By Decision No. DKK 265/2023 of November 8th 2023, the President of UOKiK amended Decision No. DKK-82/2022 of March 16th 2022 by extending the time limit for Orlen to satisfy the abovementioned condition (jointly: the “**President of UOKiK’s Decision**”, the “**Decision**”).

Gas Storage Poland operates a regulated business consisting in the storage of gaseous fuels in storage facilities under Licence No. MPG/4/19163/W/2/2012/BT, granted by the President of the Energy Regulatory Office for the period from June 1st 2012 to May 31st 2032. GSP is a gas storage system operator under the Energy Law of April 10th 1997 (Dz. U. of 2022, item 1385). Following its merger with PGNiG, Orlen became the sole shareholder in GSP, holding 305,800 shares with a total value of PLN 15,290,000.00, representing 100% of the company's share capital.

In accordance with Art. 7.7.15 of Orlen’s Articles of Association, the General Meeting is the competent body to approve the disposal of shares in a Group company which is a gas storage system operator under generally applicable laws, and to define the terms and conditions of such disposal. As Gas Storage Poland is a gas storage system operator, the transaction requires approval by Orlen's General Meeting.

The Management Board of Orlen points out that the sole reason for the disposal of the holding in Gas Storage Poland is Orlen's obligation to implement the remedy imposed by the President of UOKiK and consisting in the divestment of control over GSP, which is a condition to the approval of the Orlen and PGNiG concentration in the President of UOKiK's Decision.

As required by the President of UOKiK's Decision, the control over GSP is to be divested to an Independent Investor meeting the following conditions:

- a) *“the investor does not belong to a group of companies, as defined in Art. 4.14 of the Competition and Consumer Protection Act of February 16th 2007 (consolidated text: Dz.U. of 2021, item 275), controlled by Polski Koncern Naftowy ORLEN S.A., Polskie Górnictwo Naftowe i Gazownictwo S.A. or an entity created as a result of the notified concentration, and is not jointly controlled by any entity or entities belonging to those groups;*
- b) *the investor offers adequate guarantees that Gas Storage Poland sp. z o.o. or its legal successor will properly conduct its activities as a gas storage system operator, as defined in Art. 3.26 of the Energy Law of April 10th 1997 (Dz.U. of 2021, item 716);*
- c) *the investor does not belong to a group of companies, as defined in Art. 4.14 of the Competition and Consumer Protection Act of February 16th 2007 (Dz. U. of 2021, item 275), which operates in natural gas trading markets (except for trading necessary in connection with the management of gas infrastructure);*
- d) *the investor guarantees that the gas storage system operator activities will be carried out taking into account the energy security of the state.”*

In addition, Orlen was required to obtain President of UOKiK's written approval of the Independent Investor that guarantees the satisfaction of the conditions listed above.

By letter of December 6th 2023, received by Orlen on December 8th 2023, the President of UOKiK approved Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. of Warsaw („**Gaz-System**”) as a potential buyer of Gas Storage Poland meeting the requirements for an Independent Investor set out in the Decision. Gaz-System is the gas transmission system operator in Poland, which means that it handles the transmission of gaseous fuels via the transmission network across Poland, for delivery to distribution networks and to end users connected to the transmission system. Gaz-System manages key gas pipelines in Poland and the Baltic Pipe offshore pipeline, and owns and operates the President Lech Kaczyński LNG Terminal in Świnoujście.

The requirement to satisfy the obligations set forth in the UOKiK Decision justifies the sale of 100% of GSP shares to Gaz-System without holding a tender procedure. The pricing terms of

the transaction have been agreed based on valuations prepared by reputable auditing and consulting firms acting on behalf of both parties to the transaction and are in line with the market terms.

In view of the foregoing, we hereby submit to you a draft resolution of the Extraordinary General Meeting on the matter discussed above, respectfully requesting that it be passed.