



Polski Koncern Naftowy ORLEN
Spółka Akcyjna

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

regarding:

**Recommendation on the distribution of net profit generated by the Company
in the financial year 2012**

Submitted on behalf of
the Management Board

Dariusz Jacek Krawiec

President of the Management
Board

Sławomir Jędrzejczyk

Vice-President of the
Management Board
Chief Financial Officer

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 S.A. (PKN ORLEN) applies to the Shareholders of the Company to adopt the resolution on the distribution of profit for 2012 in the amount of PLN 2,127,797,966.06 (in words: two billion one hundred and twenty seven million seven hundred and ninety seven thousand nine hundred and sixty six Polish zlotys, 06/100), in the following manner:

- to allocate the amount of PLN 641,563,591.50 (in words: six hundred and forty one million five hundred and sixty three thousand five hundred and ninety one Polish zlotys, 50/100) i.e. 3.82% of the median capitalisation of the Parent Company for dividend (PLN 1.50 per 1 share),
- the remaining net profit, i.e. PLN 1,486,234,374.56 (in words: one billion four hundred and eighty six million two hundred and thirty four Polish zlotys, 56/100) to the supplementary capitals of the Parent Company.

In accordance with the strategy of PKN ORLEN for 2013-2017 the level of dividend will depend on the average price of PKN ORLEN shares for the previous year, taking into account implementation of strategic objectives and maintenance of safe financial ratios (such as net financial leverage, net debt/operating profit increased by depreciation and amortisation (EBITDA)) and forecasts regarding macroeconomic environment. Ultimately the dividend level is to amount to 5% of the average annual capitalisation of PKN ORLEN of the previous year. Linking dividend with the average annual share price will allow to make its value independent from temporary fluctuations of share prices. Moreover, this method does not link the level of dividend with net profit, which is quite volatile in the refining industry and often includes non-cash elements, such as revaluation of inventory or loans, and thus does not fully reflect generated cash.

Recommendation

Taking into account average capitalisation of PKN ORLEN S.A. in 2012 (PLN 16,796,134,825.00) and levels of financial leverage (26.0%) and net debt/EBITDA ratio (1.58) the Management Board of PKN ORLEN recommends to the Ordinary General Meeting to adopt the resolution regarding the distribution of net profit for 2012 in the amount of PLN 2,127,797,966.06 in the following manner:

- to allocate the amount of PLN 641,563,591.50, i.e. 3.82% of the average capitalisation of the Parent Company for dividend (PLN 1.50 per 1 share),
- the remaining net profit, i.e. PLN 1,486,234,374.56 to the supplementary capitals of the Parent Company.