



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.

Proposal for the distribution of profit of PKN ORLEN S.A. for the year 2015

Submitted on behalf of  
the Management Board:

Wojciech Jasiński

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President of the Management  
Board

Sławomir Jędrzejczyk

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Vice-President of the  
Management Board for  
Finances

## **Introduction**

Pursuant to Article 395 § 2 point 2 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 net profit generated by PKN ORLEN S.A. in the financial year 2015 in the amount of PLN 1,047,519,491.84 (in words: one billion forty-seven million five hundred nineteen thousand four hundred ninety-one zloty 84/100) in the following manner:

- to allocate the amount PLN 855,418,122.00 (in words: eight hundred fifty-five million four hundred eighteen thousand one hundred twenty-two zloty 00/100) for payment of dividends (PLN 2.00 per 1 share);
- to allocate the remaining amount of net profit, i.e. PLN 192,101,369.84 (in words: one hundred ninety-two million one hundred and one thousand three hundred sixty-nine zloty 84/100) for the supplementary capital of the Company.

The improvement of the financial conditions of Concern achieved during the last few years made it possible to adopt and publish the updated dividend policy in Concern's Strategy for 2014-2017. The policy assumes gradual increase of the amount of dividend per share to be paid, taking into account accomplishment of strategic financial ratios and forecasts about macro situation. The method does not link the dividend with net profit, since in the business of Concern's operation net profit is subject to very high volatility and may include non-cash elements, such as revaluation of assets, reserves and credits, which means that net profit number does not adequately reflect results and cash generated by the company.

## **Recommendation**

Taking into account that the year 2015 was closed by PKN ORLEN with the net profit of PLN 1,047,519,491.84 (PLN 3.232.796.131,11 at the consolidated level), given the Company's good liquidity and average capitalisation of PKN ORLEN in 2015 amounting PLN 28,160,365 thousand (average share stock value amounted to 65,84 PLN in 2015), taking into account the assumptions of the dividend policy, the assumed value of the budget, the expectations of financial markets and with the assumption that the financial ratios are to maintain on the safe level, the Management Board of PKN ORLEN recommends to the Ordinary General Meeting to adopt the resolution regarding the following distribution of above mentioned net profit for 2015:

- to allocate the amount PLN 855,418,122.00 for payment of dividends (which is equivalent to PLN 2.00 PLN per 1 share);

- to allocate the remaining amount of net profit, i.e. PLN 192,101,369.84 for the supplementary capital of the Company.

The Management Board of the Company proposes to set the day of 15 July 2016 as a dividend day and the day of 5 August 2016 as a dividend payment date.