

## TO THE MERGER PLAN

DRAFT AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF POLSKI KONCERN NAFTOWY ORLEN  
SPÓŁKA AKCYJNA

The Management Boards of the Merging Companies propose the following amendments to the Articles of Association of Polski Koncern Naftowy ORLEN Spółka Akcyjna to be adopted in connection with the Merger between PKN ORLEN and PGNiG:

1) *It is proposed to amend § 2 of PKN ORLEN Articles of Association*a) *by adding § 2(2)(90)-(151) reading as follows:*

- 90) test drilling and boring,
- 91) service activities incidental to other extraction and quarrying,
- 92) extraction of chemical and fertiliser minerals,
- 93) other extraction and quarrying n.e.c.,
- 94) wholesale of chemical products,
- 95) wholesale of other intermediate products,
- 96) construction of plumbing, heating, gas and air conditioning installations,
- 97) repair of motor vehicles other than motorcycles,
- 98) storage and warehousing of gas fuels,
- 99) manufacture of industrial gases,
- 100) wholesale of waste and scrap,
- 101) other research and experimental development on natural sciences and engineering,
- 102) engineering activities and related technical consultancy,
- 103) installation of industrial machinery and equipment,
- 104) financial leasing,
- 105) other financial service activities, except insurance and pension funding n.e.c. including debt trading for own account,
- 106) other credit granting,
- 107) dealing in financial markets on behalf of others (e.g. stock broking) and related activities,
- 108) securities brokerage,
- 109) commodity contracts brokerage,
- 110) administration of financial markets,
- 111) activities of agents involved in the sale of a variety of goods,
- 112) wholesale of hardware, plumbing and heating equipment and supplies,
- 113) computer facilities management activities,
- 114) other information technology and computer service activities,
- 115) reproduction of recorded media,
- 116) repair and maintenance of electronic and optical equipment,
- 117) repair and maintenance of electrical equipment,
- 118) wholesale of electronic and telecommunications equipment and parts,
- 119) wholesale of other office machinery and equipment,

- 120) wholesale of other machinery and equipment,
- 121) publishing of directories and mailing lists,
- 122) other software publishing,
- 123) other information service activities n.e.c.,
- 124) activities of insurance agents and brokers,
- 125) leasing of intellectual property and similar products, except copyrighted works,
- 126) repair and maintenance of (tele)communications equipment,
- 127) repair and maintenance of consumer electronics,
- 128) other service activities n.e.c.,
- 129) call centre activities,
- 130) other publishing activities,
- 131) service activities related to printing,
- 132) other printing,
- 133) photocopying, document preparation and other specialised office support activities,
- 134) other business support service activities n.e.c.,
- 135) water collection, treatment and supply,
- 136) library activities,
- 137) archive activities,
- 138) museums activities,
- 139) Buying and selling of own real estate,
- 140) Management of real estate on a fee or contract basis,
- 141) Rental and operating of own or leased real estate,
- 142) Renting and leasing of cars and light motor vehicles,
- 143) renting and leasing of other motor vehicles excluding motorcycles,
- 144) tour operator activities,
- 145) holiday and other short-stay accommodation,
- 146) camping grounds, recreational vehicle parks and trailer parks,
- 147) other accommodation,
- 148) retail sale in non-specialised stores with food, beverages or tobacco predominating,
- 149) organisation of conventions and trade shows,
- 150) other amusement and recreation activities,
- 151) other passenger land transport services, n.e.c.

*b) by adding § 2(5) and § 2(6) reading as follows:*

“5

With respect to the activity referred to in § 2(1), the Company carries out tasks aimed at ensuring the energy security of the Republic of Poland.

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1. The following is subject to written approval of the Minister competent for the matters of energy, issued upon obtaining an opinion of the entity authorised to exercise the rights attached to shares held by the State Treasury:

- a) amendments to material provisions of existing commercial contracts on natural gas imports to Poland, or execution of such commercial contracts on natural gas imports to Poland,

- b) implementation of strategic investment projects or Company's involvement in investment projects which may result in a lasting or temporary deterioration of the economic efficiency of the Company's operations but are required to ensure the energy security of Poland, as regards the performance of tasks aimed at ensuring such security with respect to:
- 1) continuity of gas supplies to consumers and maintaining the necessary reserves of gas;
  - 2) ensuring safe operation of gas networks;
  - 3) ensuring gas fuels balance, managing the operations and capacity of power equipment connected to the common gas distribution network;
  - 4) natural gas production."

2. Any requests in matters referred to in item (1) must be accompanied by Management Board's rationale and a written opinion of the Supervisory Board."

2) *It is proposed to amend § 3(1) of PKN ORLEN Articles of Association changing its wording to:*

"1

The share capital amounts to PLN 1,451,177.561.25 (one billion four hundred and fifty one million one hundred and seventy seven thousand five hundred and sixty one point twenty five zlotys) and is divided into 1,160,942,049 (one billion one hundred and sixty million nine hundred and forty two thousand forty nine) shares with the nominal value of PLN 1.25 (one point twenty five zlotys) each, of which:

- a) 336,000,000 (three hundred and thirty six million) A bearer shares numbered from A-000000001 to A-336000000,
- b) 6,971,496 (six million nine hundred and seventy one thousand four hundred and ninety six) B bearer shares numbered from B-0000001 to B6971496,
- c) 77,205,641 (seventy seven million two hundred and five thousand six hundred and forty one) C bearer shares numbered from C-00000001 do C-77205641,
- d) 7.531.924 (seven million five hundred and thirty one thousand nine hundred and twenty four) D bearer shares numbered from D-0000001 to D-7531924,
- e) 198.738.864 (one hundred and ninety eight million seven hundred and thirty eight thousand eight hundred and sixty four) E bearer shares numbered from E-000000001 to E-198738864,
- f) 534,494,124 (five hundred and thirty four million four hundred and ninety four thousand one hundred and twenty four) F bearer shares numbered from F-000000001 to F-534494124,"

3) It is proposed to amend § 7 of PKN ORLEN Articles of Association

a) *by changing the wording of § 7(4)(1) to:*

“1. The Extraordinary General Meeting is convened by the Management Board at its own initiative, at Supervisory Board’s request or at request of a shareholder or shareholders representing jointly at least one twentieth of the share capital of the Company and at request of the shareholder – State Treasury, irrespectively of its share in the share capital, within two weeks from the date of request. A request to convene a meeting must specify the proposed agenda or contain a draft resolution concerning the proposed agenda.”

*b) by changing the wording of § 7(4)(3) to:*

“3. A shareholder or shareholders representing jointly at least one twentieth of the share capital may request adding specific matters to the agenda of the nearest General Meeting in line with generally applicable laws. The same right is also vested in the shareholder – State Treasury, irrespectively of its share in the share capital.”

*c) by replacing the full stop in § 7(14) with a comma and adding § 7(15) reading as follows:*

“15. adopting a resolution approving the subscription for, the acquisition or disposal of shares in entities from Company’s Group which, pursuant to general laws, perform the function of a natural gas distribution system operator or the natural gas storage system operator, specifying the terms and conditons as well as the procedure applicable to the disposal,”;

*d) by changing the wording of § 7(9) to:*

“9.

1. General Meeting’s resolutions regarding the preference of shares or the merger of the Company by way of transfer of all its assets and liabilities to another Company, the dissolution of the Company (including as a result of a transfer of its registered office or main plant abroad), its winding-up and conversion and the decrease of its share capital by way of redemption of a portion of shares without simultaneous share capital increase,

2. Should the share of the State Treasury on the share capital of the Company fall below 49%, the resolutions of the General Meeting concerning:

- 1) dissolution of the Company,
- 2) transferring the registered office of the Company abroad;
- 3) changing the Company’s activity in a way that would restrict the Company’s capacity to run its operations with respect to the prospecting, exploration of and trade in crude oil and natural gas,
- 4) alienation or lease of the Company’s enterprise or its organised part whose activity comprises the prospecting, exploration of and trade in crude oil and natural gas or the establishment of a limited right in rem on the Company’s enterprise or its organised part,
- 5) merger of the Company involving the transfer of all of its assets and liabilities to another company;
- 6) demerger of the Company;

- 7) share preference;
- 8) the establishment of a European company (*societas europaea*) or any conversion into or the joining of such company,
- 9) amendments to this item 2,

require a majority of 80% votes cast in the presence of shareholders representing at least a half of the share capital of the Company.”

4) It is proposed to amend § 8 of PKN ORLEN Articles of Association

- a) *by replacing the full stop in § 8(11)(19) with a comma and adding § 8(20) and § 8(21) reading as follows:*

“20. issuing opinions on the Company’s Management Board’s recommendations on the appointment of the Company’s representatives to the Management Board or the Supervisory Board or the dismissal of members of the Management Board or the Supervisory Board of the following company: System Gazociągów Tranzytowych EuRoPol Gaz S.A. and their submission for the approval of the shareholder – State Treasury,

21. issuing opinions on the manner of exercising voting rights by the Company at the General Meeting of the following company: System Gazociągów Tranzytowych EuRoPol Gaz S.A. “;

- b) *by changing the wording of § 8(12)(8) to:*

“8. exercise by the Company of its voting rights at the general meetings and shareholders meetings:

- 1) subject to items 2)-4) below, of its Subsidiaries and other companies, if the value of shares held by the Company in such companies, determined at purchase or subscription price, exceeds one fifth of the Company’s share capital, in matters regarding:
  - a) any merger with another company and any corporate conversion,
  - b) alienation or lease of the company’s enterprise and the establishment of a usufruct right on that enterprise,
  - c) amendments to the articles of association,
  - d) conclusion of a corporate group agreement (*umowa koncernowa*) within the meaning of Article 7 of the Code of Commercial Companies,
  - e) dissolution of the Company;
- 2) of companies owning natural gas transfer network, natural gas distribution network, inter-system or direct gas pipeline, natural gas storage installation, with regard to:
  - a) amendments to the articles of association
  - b) increase or decrease of the share capital,
  - c) merger, conversion or demerger of the company,

- d) alienation of shares in the company,
  - e) alienation or lease of the company's enterprise or its organised part and establishment of a limited right in rem on such enterprise or an organised part thereof,
  - f) dissolution and winding-up of the company,
  - g) pledging or establishing an encumbrance of other type on any shares in the company,
  - h) obligation to make additional contributions towards capital,
  - i) share issue,
  - j) the establishment of an obligation relationship with a foreign person concerning or related to the preparation, analysis, construction, extension or disposal of a transfer network, distribution network, inter-system gas pipeline or a direct gas pipeline within the meaning of the energy law, provided that the obligation relationship pertains to a piece of infrastructure with the current value or, in the case of new (including planned) infrastructure, in excess of the equivalent of EUR 500,000 in Polish zloty,
  - k) the establishment of an obligation relationship with a foreign person concerning or related to the preparation, analysis, construction, extension or disposal of a storage installation within the meaning of the Energy Law, provided that the obligation relationship pertains to a piece of infrastructure with the current value or, in the case of new (including planned) infrastructure, in excess of the equivalent of EUR 500,000 in Polish zloty,
  - l) the establishment of an obligation relationship with a foreign person concerning or related to the preparation, analysis, construction, extension or disposal of a generation or co-generation unit within the meaning of the Energy Law, provided that the obligation relationship pertains to a piece of infrastructure with the current value or, in the case of new (including planned) infrastructure, in excess of the equivalent of EUR 500,000 in Polish zloty,
  - m) the establishment of an obligation relationship with a foreign person regarding or related to the exploration, prospecting or extraction of hydrocarbons, within the meaning of the geology and mining law, with the value in excess of the equivalent of EUR 5,000,000 in Polish zloty,
- - with reservation that items j-m above do not apply to any loan agreements, services related to the maintenance of proper condition, including any repairs, as well as geophysical works, drilling, servicing or any services or deliveries related to the performance of the abovementioned agreements or activities, while item m) additionally is not inclusive of any operations of a foreign Subsidiary related to the agreements made in the course of ordinary business operations concerning the functioning of the organisational structure of the company, including any employment contracts, or the use of company's assets with the value of obligations up to EUR 5,000,000, as well as any costs of the ongoing management of the company;

3) of companies acting as natural gas distribution system operators, in matters concerning:

- a) the approval of the annual financial plans of such companies,
- b) the approval of the long-term strategic operating plans of such companies
- c) amendments to the articles of association
- d) increase or decrease of the share capital,
- e) merger, conversion or demerger of the company,
- f) alienation of shares in the company,
- g) alienation or lease of the company's enterprise or its organised part and establishment of a limited right in rem on such enterprise or an organised part thereof,
- h) dissolution and winding-up of the company,
- i) the establishment of an obligation relationship with a foreign person concerning or related to the preparation, analysis, construction, extension or disposal of a transfer network, distribution network, inter-system gas pipeline or a direct gas pipeline within the meaning of the energy law, provided that the obligation relationship pertains to a piece of infrastructure with the current value or, in the case of new (including planned) infrastructure, in excess of the equivalent of EUR 500,000 in Polish zloty, except for loan agreements, services related to the maintenance of proper condition, including any repairs, as well as servicing or any services or deliveries related to the performance of the abovementioned agreements or activities.

4) of companies acting as natural gas storage system operators, in matters concerning:

- a) amendments to the articles of association
- b) increase or decrease of the share capital,
- c) merger, conversion or demerger of the company,
- d) alienation of shares in the company,
- e) alienation or lease of the company's enterprise or its organised part and establishment of a limited right in rem on such enterprise or an organised part thereof,
- f) dissolution and winding-up of the company,
- g) the establishment of an obligation relationship with a foreign person concerning or related to the preparation, analysis, construction, extension or disposal of a storage unit within the meaning of the energy law, provided that the obligation relationship pertains to a piece of infrastructure with the current value or, in the case of new (including planned) infrastructure, in excess of the equivalent of EUR 500,000 in Polish zloty, except for loan agreements, services related to the maintenance of proper condition, including any repairs, as well as servicing or any services or deliveries related to the performance of the abovementioned agreements or activities.

The equivalent of the EUR amount in PLN is determined according to the mean exchange rate of EUR to PLN announced by the National Bank of Poland on the date preceding the request for Supervisory Board's approval on day or on day where the Management Board determines that the activity does not require approval on the basis of its value;

5) *it is proposed to amend §9(7) of the Articles of Association of PKN ORLEN*

a) *by adding §9(7)(4) reading as follows:*

"4. Matters referred to in §2(6)."

b) *it is proposed to add §9(12)-(14) reading as follows:*

"12.

1. At every request of the State Treasury as the shareholder vested with such right, the Management Board of the Company must prepare and submit to the State Treasury, on terms and conditions laid down in item 3 below, detailed information on the tasks performed to ensure the energy security of the state.

2. On terms and conditions laid down in item 3 below, within two months from the date of completion of the annual General Meeting approving the report on Company's operations at the latest, the Management Board of the Company must prepare and submit to the State Treasury as the shareholder vested with such right, information on:

- 1) strategic investments or the involvement in investments necessary to ensure the energy security of Poland;
- 2) the establishment of an obligation relationship with a foreign person by an operator or the owner of a distribution system or an inter-system gas pipeline, concerning or related to the preparation, analysis, construction, extension or disposal of transfer network, distribution network, inter-system gas pipeline or a direct gas pipeline within the meaning of the energy law, provided that the obligation relationship pertains to a piece of infrastructure with the current value or, in the case of new (including planned) infrastructure, in excess of the equivalent of EUR 500,000 in Polish zloty,
- 3) the establishment of an obligation relationship with a foreign person by the operator or the owner of a storage installation, concerning or related to the preparation, analysis, construction, extension or disposal of a storage installation within the meaning of the energy law, provided that the obligation relationship pertains to a piece of infrastructure with the current value or, in the case of new (including planned) infrastructure, in excess of the equivalent of EUR 500,000 in Polish zloty,
- 4) the establishment of an obligation relationship with a foreign person by the operator or the owner of a generation or a co-generation unit, concerning or related to the preparation, analysis, construction, extension or disposal of a generation or co-generation unit within the meaning of the Energy Law, provided that the obligation relationship pertains to a piece of infrastructure with the current value or, in the case of new (including planned) infrastructure, in excess of the equivalent of EUR 500,000 in Polish zloty,
- 5) the establishment of an obligation relationship with a foreign person regarding or related to the exploration, prospecting or extraction of hydrocarbons, within the meaning of the



geology and mining law, with the value in excess of the equivalent of EUR 5,000,000 in Polish zloty,

-- with reservation that items 1)-5) above do not apply to any information on loan agreements, services related to the maintenance of proper condition, including any repairs, as well as geophysical works, drilling, servicing or any services or deliveries related to the performance of the abovementioned agreements or activities, while item 5) additionally is not inclusive of any information concerning the operations of a foreign subsidiary related to the agreements made in the course of ordinary business operations concerning the functioning of the organisational structure of the company, including any employment contracts, or the use of company's assets with the value of obligations up to EUR 5,000,000, as well as any costs of running the ongoing business of the company.

The equivalent of the amount in EUR in PLN is determined on the basis of the mean EUR to PLN exchange rate announced by the National Bank of Poland on the date when the obligation to provide information arose.

2. The Management Board must submit the annual information referred to in item 1 above to the entity competent to exercise the rights attached to State Treasury's shares according to effective laws and the minister competent for energy matters according to the laws governing the sections of government administration and the competencies of the government administration central authorities.

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1. The Management Board must provide the State Treasury as the shareholder vested with special right in this respect, within 21 days from the closure of the General Meeting or the Shareholders' Meeting of affiliates or subsidiaries regarding:

- 1) a strategic investment or the involvement in investments necessary to ensure the energy security of Poland;
- 2) the establishment of an obligation relationship with a foreign person by an operator or the owner of a distribution system or an inter-system gas pipeline, concerning or related to the preparation, analysis, construction, extension or disposal of transfer network, distribution network, inter-system gas pipeline or a direct gas pipeline within the meaning of the energy law, provided that the obligation relationship pertains to a piece of infrastructure with the current value or, in the case of new (including planned) infrastructure, in excess of the equivalent of EUR 500,000 in Polish zloty,
- 3) the establishment of an obligation relationship with a foreign person by the operator or the owner of a storage installation, concerning or related to the preparation, analysis, construction, extension or disposal of a storage installation within the meaning of the energy law, provided that the obligation relationship pertains to a piece of infrastructure with the current value or, in the case of new installations – the estimated value, inclusive of any designed infrastructure, in excess of the equivalent of EUR 500,000 in Polish zloty,
- 4) the establishment of an obligation relationship with a foreign person by the operator or the owner of a generation or a co-generation unit, concerning or related to the design, analysis, construction, extension or disposal of a generation or co-generation unit within the meaning of the Energy Law, provided that the obligation relationship pertains to a piece of infrastructure with the current value or, in the case of new (including planned) infrastructure, in excess of the equivalent of EUR 500,000 in Polish zloty,
- 5) the establishment of an obligation relationship with a foreign person regarding or related to the exploration, prospecting or extraction of hydrocarbons, within the meaning of the

- geology and mining law, with the value in excess of the equivalent of EUR 5,000,000 in Polish zloty,
- 6) the approval of the annual financial plans,

detailed information on decisions made by the General Meeting or the Shareholders Meeting on matters referred to in items 1) – 6) inclusive of the assessment of its effects for the energy security referred to in § 2(5), with reservation that the foregoing does not apply to any information on loan agreements, services related to the maintenance of proper condition, including any repairs, as well as geophysical works, drilling, servicing or any services or deliveries related to the performance of the abovementioned agreements or activities, while item 1) additionally is not inclusive of any information concerning the operations of a foreign Subsidiary of the Company or the company referred to above, related to the agreements made in the course of ordinary business operations concerning the functioning of the organisational structure of the company, including any employment contracts, or the use of company's assets with the value of obligations up to EUR 6, as well as any costs of running the ongoing business of the company.

The equivalent of the amount in EUR in PLN is determined on the basis of the mean EUR to PLN exchange rate announced by the National Bank of Poland on the date when the obligation to provide information arose.

2. Following the end of each quarterly period, by the end of the month in which the relevant periodic report was published at the Warsaw Stock Exchange, the Management Board will prepare and submit or will cause an economic-financial analysis of the Company and the Company's Affiliates performing the function of a distribution system operator or a storage system operator to be prepared and submitted to the Entitled Entity and the minister competent for the matters of energy.

3. The Management Board must submit the information referred to in items (1) and (2) above to the entity competent to exercise rights attached to State Treasury's shares according to effective laws and the minister competent for energy matters according to provisions governing the sections or government administration and the competencies of the government administration central authorities.

If the right vested in State Treasury as the shareholder of the Company referred to in items 12 and 13 above expires as a result of the alienation by the State Treasury of all its shares in the Company, the obligation to submit the annual information referred to in these items will become (will be converted into) the right of the State Treasury as a third party, exercised by the submission of such information only to the minister competent for the matters of energy in accordance with the laws governing the government administration sections and the competencies of the government administration central authorities, unless the State Treasury declares otherwise to the Company.