



MINISTER OF THE STATE ASSETS
JACEK SASIN
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Warsaw, 3 June 2020

**Management Board
PKN ORLEN S.A.**

In connection with the Annual General Meeting of PKN ORLEN S.A. convened for June 5, 2020 which agenda includes the adoption of a resolution regarding the remuneration policy for the Management Board and the Supervisory Board Members, acting on behalf of the State Treasury as a Shareholder of PKN ORLEN, I hereby submit a proposal for changes to the published draft resolution along with the attachment:

I. Change regarding the content of the draft resolution presented by the Company

Removal of section 2 from the draft resolution on the adoption of the remuneration policy for the Management Board and the Supervisory Board Members and the authorization of the Company's Supervisory Board to define the details of the remuneration policy, as follows:

“Acting pursuant to Art. 90d.7 of the Act, the Annual General Meeting authorises the Supervisory Board to define the details of the Policy, including by adding appropriate provisions to the contracts made with the individual Management Board members, to the following extent and within the following limits:

- 1) determination of the amount and of the terms of defining the Fixed Remuneration and Variable Remuneration of Management Board members, as well as determination of the types and the terms of granting additional benefits, as well as determination of the possibility and terms of use of the Company's property, including for private purposes, to the extent specified in the Policy and the General Meeting's resolution on determination of the rules of remuneration for Management Board members;
- 2) taking any other steps necessary to implement the Policy, in particular with respect to those matters which require clear guidance by the Supervisory Board in accordance with express provisions of the Policy or its purpose.”

Taking into account the need to ensure the consistency of the Policy with the applicable resolutions of the General Meeting, adopted on the basis of the Act on the Rules of Remunerating Persons Who Direct Certain Companies, dated June 9th 2016, which includes a delegation for the Supervisory Board to set out the remuneration of Management Board Members, the adoption of the Policy does not determine the authorization of the Supervisory Board to define its details.

II. Changes regarding the content of the attachment to the draft resolution presented by the Company

- Section 5.1 of the draft appendix to the resolution presented by the Company:

“The monthly amount of Fixed Remuneration paid to Management Board members shall be determined by way of a Supervisory Board resolution, taking into account the provisions of the Remuneration Act.”

Shall be read as follows:

“Fixed Remuneration paid to Management Board members shall be determined by way of a General Meeting resolution on the base of provisions of the Remuneration Act. The monthly amount of Fixed Remuneration paid to Management Board members shall be determined by the Supervisory Board on the base of a General Meeting resolution.”;

- In Section 7.1.4 of the draft appendix to the resolution presented by the Company words “(including for private purposes)” shall be deleted;

- Section 10.1 of the draft appendix to the resolution presented by the Company:

“The Supervisory Board may temporarily suspend the application of this Policy.”

shall be read as follows:

“The Supervisory Board may temporarily suspend the application of this Policy, excluding provisions that results from provisions of the Remuneration Act.”;

- Section 12.4 of the draft appendix to the resolution presented by the Company:

“The Policy shall come into force with effect from the day following the closing of the General Meeting the agenda of which included approval of the Company's financial statements for 2019, and shall apply from that date to the payment of remuneration to members of the Management and Supervisory Boards.”

shall be deleted and number of Section 12.5 shall be changed to Section 12.4.

Introducing of the abovementioned proposal of changes is a consequence of resolutions on the rules of Management and Supervisory Boards Members remunerating adopted by the General Meeting in previous years on the base of the Act on the Rules of Remunerating Persons Who Direct Certain Companies, dated June 9th 2016 and their purpose is to ensure the consistency of the Company's corporate documents.

Moreover deletion of Par. 12.4 results from the fact that according to the draft resolution presented by the Company *to adopt the remuneration policy for the Management Board and Supervisory Board members and to authorise the Supervisory Board to define the details of the remuneration policy*, there is an appendix to that resolution which is an integral part of it and the resolution, if adopted, shall come into force as of its date.