

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, May 23rd 2019

Shareholder's request to place certain matters on agenda of forthcoming Annual General Meeting of PGNiG, submitted along with draft resolutions

Current Report No. 21/2019

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG", the "Company") announces that the Polish State Treasury, as a shareholder entitled to do so, represented by the Minister of Energy, has submitted a request under Art. 401 of the Commercial Companies Code to place the following items on the agenda of the forthcoming Annual General Meeting of PGNiG:

1. Voting on a resolution to amend Resolution No. 9/VIII/2016 of the PGNiG Extraordinary General Meeting of September 9th 2016 to determine the rules of remunerating members of the Supervisory Board of PGNiG,
2. Voting on a resolution to amend Resolution No. 9/XI/2016 of the PGNiG Extraordinary General Meeting of November 24th 2016 on the rules of remunerating members of the Management Board of PGNiG,

as well as the relevant draft resolutions along with grounds.

Legal basis:

Par. 19.1.4 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018 (Dz.U. of 2018, item 757).

Draft

**RESOLUTION No./2019
of the Annual General Meeting of
Polskie Górnictwo Naftowe i Gazownictwo S.A. of Warsaw
dated [...] 2019**

to amend Resolution No. 9/VIII/2016 of the PGNiG Extraordinary General Meeting dated September 9th 2016 to determine the rules of remunerating members of the Company's Supervisory Board

Pursuant to Art. 2 in conjunction with Art. 10 of the Act on Rules of Remunerating Persons Who Direct Certain Companies, dated June 9th 2016 (Dz. U. of 2017, item 2190, as amended), the Annual General Meeting hereby resolves as follows:

Section 1

Resolution No. 9/VIII/2016 of the PGNiG Extraordinary General Meeting, included in Notarial Deed No. Rep. A 1275/2016 of September 9th 2016, to determine the rules of remunerating members of the Company's Supervisory Board, shall be amended so that Section 1 of the Resolution reads as follows:

"Section 1 The monthly remuneration of Members of the Company's Supervisory Board shall be determined as the product of the reference salary within the meaning of Art. 1.3.11 of the Act on Rules of Remunerating Persons Who Direct Certain Companies dated June 9th 2016, and the following multipliers:

- for the Chairman of the Supervisory Board – 1.7;
- for the Deputy Chairman and Secretary of the Supervisory Board – 1.6;
- for other Members of the Supervisory Board – 1.5."

Section 2

This Resolution shall become effective as of its date.

Total number of valid votes cast: []

Number of votes in favour of the resolution: []

Number of votes against the resolution: []

Number of abstentions: []

The resolution has been passed by secret ballot.

Draft

**RESOLUTION No./2019
of the Annual General Meeting of
Polskie Górnictwo Naftowe i Gazownictwo S.A. of Warsaw
dated [...] 2019**

to amend Resolution No. 9/XI/2016 of the PGNiG Extraordinary General Meeting dated November 24th 2016 on the rules of remunerating members of the Management Board of PGNiG S.A.

Pursuant to Art. 2 in conjunction with Art. 4 of the Act on Rules of Remunerating Persons Who Direct Certain Companies, dated June 9th 2016 (Dz. U. of 2017, item 2190, as amended), the Annual General Meeting hereby resolves as follows:

Section 1

Resolution No. 9/XI/2016 of the PGNiG Extraordinary General Meeting, included in Notarial Deed No. Rep. A 1802/2016 of November 24th 2016, on the rules of remunerating members of the Management Board of PGNiG S.A., shall be amended so that Section 2.2 of the Resolution reads as follows:

- “2. The amount of monthly Fixed Remuneration of Management Board Members shall be determined by the Supervisory Board, with the proviso that:
- a) the Fixed Remuneration of the President of the Management Board shall be an amount within the range of 7 to 15 times the reference salary within the meaning of Art. 1.3.11 of the Act on Rules of Remunerating Persons Who Direct Certain Companies, dated June 9th 2016,
 - b) the Fixed Remuneration of Members of the Management Board shall be an amount within the range of 7 to 15 times the reference salary within the meaning of Art. 1.3.11 of the Act on Rules of Remunerating Persons Who Direct Certain Companies, dated June 9th 2016.”

Section 2

This Resolution shall become effective as of its date.

Total number of valid votes cast: []

Number of votes in favour of the resolution: []

Number of votes against the resolution: []

Number of abstentions: []

The resolution has been passed by secret ballot.

GROUNDS

In order to clarify the existing rules of remunerating members of the Supervisory Board and Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A., and to ensure that the provisions on determining such remuneration are universal and take account of any changes in the reference salary, including those introduced by any state budget-related statutes, in Resolution No. 9/VIII/2016 of the PGNiG Extraordinary General Meeting of September 9th 2016 to determine the rules of remunerating members of the Company's Supervisory Board, and in Resolution No. 9/XI/2016 of the PGNiG Extraordinary General Meeting of November 24th 2016 on the rules of remunerating members of the PGNiG Management Board, the provisions referring to the [x] times the average salary in the non-financial corporate sector, net of bonuses paid from profit, in the fourth quarter of the preceding year, as announced by the President of GUS (Statistics Poland), should be replaced by provisions referring to the [x] times the reference salary within the meaning of Art. 1.3.11 of the Act on Rules of Remunerating Persons who Direct Certain Companies dated June 9th 2016 (the "Remuneration Act"). Such amendment would eliminate any interpretative doubts that may arise in connection with the obligation to 'freeze' the remuneration of Supervisory Board and Management Board members under the 2019 State Budget Act of January 16th 2019(Dz. U. of 2018, item 2435), according to which in 2019 the reference salary referred to in Art. 1.3.11 of the Remuneration Act is the average monthly salary in the non-financial corporate sector, net of bonuses paid from profit, in the fourth quarter of 2016.