



Polskie Górnictwo Naftowe i Gazownictwo SA
Centrala Spółki

Warsaw, July 29th 2016

**Draft resolutions for the Extraordinary General Meeting of PGNiG SA convened
for August 25th 2016**

Current Report No. 77/2016

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG" or the "Company") publishes draft resolutions to be submitted for consideration to the PGNiG Extraordinary General Meeting convened for August 25th 2016.

RESOLUTION No. ____
of the Extraordinary General Meeting
of Polskie Górnictwo Naftowe i Gazownictwo SA
held on August 25th 2016

Adoption of the agenda for the Extraordinary General Meeting of PGNiG SA

§ 1.

The Extraordinary General Meeting of PGNiG SA resolves to adopt the following agenda:

1. Opening of the Meeting
2. Appointment of the Chairperson of the Meeting
3. Preparation of the attendance list
4. Confirmation that the Meeting has been duly convened and has the capacity to adopt resolutions
5. Approval of the agenda
6. Adoption of a resolution to approve acquisition by PGNiG SA of shares in Biuro Studiów i Projektów Gazownictwa GAZOPROJEKT S.A. of Wrocław, Poland, from PGNiG Technologie S.A.
7. Adoption of a resolution authorising the Management Board of PGNiG SA to buy back Company shares for cancellation
8. Closing of the Meeting.

§ 2.

This Resolution shall come into force as of its date.

RESOLUTION No. ____
of the Extraordinary General Meeting
of Polskie Górnictwo Naftowe i Gazownictwo SA
held on August 25th 2016

Adoption of a resolution to approve acquisition by PGNiG SA of shares in Biuro Studiów i Projektów Gazownictwa GAZOPROJEKT S.A. of Wrocław, Poland, from PGNiG Technologie S.A. of Wrocław, Poland

Acting pursuant to Art. 56.6.2 of the Company's Articles of Association, having considered the opinion of the PGNiG Supervisory Board contained in Resolution No. 56 of June 13th 2016 on the Management Board's proposal contained in Management Board Resolution No. 299 of May 31st 2016, the General Meeting hereby resolves as follows:

§ 1.

The Extraordinary General Meeting of PGNiG SA hereby approves acquisition by PGNiG SA, from PGNiG Technologie S.A., of 21,000 shares in Biuro Studiów i Projektów Gazownictwa GAZOPROJEKT S.A. of Wrocław, with a par value of PLN 100 per share and a total par value of PLN 2,100,000.00, by way of negotiations with PGNiG Technologie S.A., for a price not higher than the value of the shares determined by an independent adviser.

§ 2.

This Resolution shall come into force as of its date.

FOUNDATIONS

PGNiG SA currently holds in Biuro Studiów i Projektów Gazownictwa „GAZOPROJEKT” S.A. (“BSiPG GAZOPROJEKT”) 9,000 shares representing 22.5% of the company's share capital.

From the formation of BSiPG GAZOPROJEKT in 1995 to 2013, the company's shareholders were:

- 1) PGNiG SA, holding 30,000 shares, that is 75% of share capital,
- 2) natural persons, holding jointly 10,000 shares, that is 25% of share capital.

The shareholding structure changed after PGNiG SA had made a non-cash contribution of 21,000 BSiPG GAZOPROJEKT shares to PGNiG Technologie S.A., to increase the latter company's share capital. Thus PGNiG Technologie S.A. became the

largest shareholder in BSiPG GAZOPROJEKT. The transaction was executed as part of the second phase (conducted in 2012 and 2013) of consolidation of construction and engineering companies in which PGNiG SA held equity interests.

Since the transaction, the shareholding structure has been as follows:

- 1) PGNiG Technologie S.A., holding 21,000 shares, that is 52.5% of share capital,
- 2) PGNiG SA, holding 9,000 shares, that is 22.5% of share capital,
- 3) natural persons, holding jointly 10,000 shares, that is 25% of share capital.

All BSiPG GAZOPROJEKT shares are bearer shares. BSiPG GAZOPROJEKT provides design services, and its core business is design of gas infrastructure, i.e. it is closely connected with the gas sector. The company has a long track record in the industry, provides its services to customers in Poland, and is gradually expanding its business into foreign markets. In 2013, the company participated in the consolidation of contract and service companies of the PGNiG Group into PGNiG Technologie S.A. However, the project was executed only partially and failed to bring the expected results to BSiPG GAZOPROJEKT and PGNiG Technologie S.A. Continued holding of BSiPG GAZOPROJEKT shares by PGNiG Technologie S.A. does not offer prospects for any tangible benefits to be derived from such arrangement by the two companies, while the dispersed share ownership prevents efficient operation and management of BSiPG GAZOPROJEKT. In light of these arguments as well as due to the fact that the nature and scope of BSiPG GAZOPROJEKT's business make the company material to the interests of the PGNiG Group, the strengthening of PGNiG SA's position as the shareholder in the company by way of the proposed purchase of shares from PGNiG Technologie S.A. is fully justified.

The final purchase price will be determined in negotiations between the parties, based on share valuation prepared by an independent adviser.

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Authorisation for the Management Board of PGNiG SA to buy back Company shares for cancellation

Acting pursuant to Art. 395 and Art. 362.1.5 of the Commercial Companies Code, the Extraordinary General Meeting of PGNiG S.A. hereby resolves to:

Section 1

Approve the buy-back by PGNiG SA of its shares for cancellation and authorise the Management Board of PGNiG SA to take all practical and legal steps necessary to buy back Company shares on the terms and conditions stipulated in this resolution.

Section 2

Authorize the Management Board of PGNiG SA to define detailed terms and conditions of and procedure for the buy-back.

Section 3

The General Meeting defines the following terms and conditions for the buy-back of Company shares for cancellation:

1. the total price of shares to be bought back under resolution shall not exceed PLN 750,000,000 (seven hundred and fifty million złoty);
2. the buy-back shall be financed with distributable funds (as defined in Art. 348.1 of the Commercial Companies Code);
3. the buy-back, as defined in this resolution, shall be completed by December 31st 2016.

Section 4

This Resolution shall come into force as of its date.

FOUNDATIONS

In the opinion of the Management Board, PGNiG has free cash sufficient to carry out the buy-back, while the Company's balance sheet is characterized by a high level of equity and low debt. The low net debt allows the Company to finance the buy-back, and the Management Board has concluded that a potential increase in net debt will have no adverse effect on the Company's liquidity. Further, in the opinion of the

Management Board, the maximum amount of funds allocated to the buy-back does not exceed the Company's financing capabilities and takes account of its liquidity needs.

Legal basis: Par. 38.1.3 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 February 19th 2009 (Dz.U. No. 33, item 259).