



Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, September 22nd 2015

**Draft resolutions for the Extraordinary General Meeting of PGNiG SA convened
for October 19th 2015**

Current Report No. 67/2015

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG" or the "Company") is publishing draft resolutions to be submitted to the Extraordinary General Meeting of PGNiG convened for October 19th 2015.

RESOLUTION No. ____
of the Extraordinary General Meeting
of Polskie Górnictwo Naftowe i Gazownictwo SA
dated October 19th 2015

concerning: approval of the agenda for the Extraordinary General Meeting of PGNiG SA

Section 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 approving the disposal of shares in NYSAGAZ Sp. z o.o. of Wrocław and defining the procedure for and terms of selling the shares
7. Adoption of a resolution approving the disposal of shares in ZRUG Sp. z o.o. of Poznań and defining the procedure for and terms of selling the shares
8. Adoption of resolutions on changes in the composition of the PGNiG Supervisory Board at the request of the shareholder State Treasury under Art. 400.1 of the Commercial Companies Code
9. Closing of the Meeting

Section 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
dated October 19th 2015

concerning: approval of the disposal of shares in NYSAGAZ Sp. z o.o. of Wrocław and definition of the procedure and terms for selling the shares

Acting on the basis of Article 56.6.3 of the Articles of Association of Polskie Górnictwo Naftowe i Gazownictwo SA and Section 27.1 of the Regulation of the Council of Ministers on the manner of and procedure for holding auctions for sale of non-current assets by a company established as a result of commercialisation, dated February 13th 2007 (Dz.U. of 2007, No. 27, item 177, as amended), taking into consideration the opinion of the PGNiG Supervisory Board expressed in Resolution No. of 2015 with regard to the Management Board's proposal contained in Resolution No. of 2015, the Extraordinary General Meeting resolves as follows:

Section 1.

The Extraordinary General Meeting of PGNiG SA approves the disposal of the 65,490 shares in NYSAGAZ Sp. z o.o. of Wrocław held by PGNiG SA.

Section 2.

The Extraordinary General Meeting of PGNiG SA defines the following procedure for and terms of selling the 65,490 shares in NYSAGAZ Sp. z o.o. of Wrocław held by PGNiG SA:

- a) sale procedure – sale without holding a public auction, by way of accepting the offer to purchase the 65,490 shares in NYSAGAZ Sp. z o.o. held by PGNiG SA, made by subsidiary PGNiG Termika S.A. of Warsaw;
- b) terms of sale – the 65,490 shares shall be sold for PLN 3,046,503.61, payable in three instalments: first instalment, of PLN 2,152,718.59, shall be paid by December 31st 2015; the second instalment, of PLN 446,892.51 – by December 31st 2016; and third instalment, of PLN 446,892.51 – by December 31st 2017.

Section 3.

This Resolution shall come into force as of its date.

Grounds

PGNiG SA holds 65,490 shares in NYSAGAZ Sp. z o.o. of Wrocław, representing 66.28% of the company's share capital.

NYSAGAZ Sp. z o.o. conducts business in the area of generation of heat (53 sources with an aggregate installed capacity of 14.7 MWt) and cogeneration of electricity (two sources with an aggregate capacity of 0.17 MWe).

PGNiG Termika S.A. of Warsaw (a wholly-owned subsidiary of PGNiG SA) made an offer to purchase the 65,490 shares in NYSAGAZ Sp. z o.o., representing 66.28% of its share capital.

The purchase of NYSAGAZ Sp. z o.o. shares by PGNiG Termika S.A. is consistent with the PGNiG Group's Strategy for 2014-2022 and is an element of implementation of strategic initiatives undertaken in pursuit of the following key objectives:

- A significant enhancement of the internal operational efficiency of the PGNiG Group through streamlining of the Group's structure and consolidation of the electricity and heat generation business within one competence centre – PGNiG TERMIKA S.A.;
- Development of new business areas through extension of the value chain to include the projects planned to be implemented by NYSAGAZ Sp. z o.o. in the area of small co-generation, gas-fired tri-generation and small thermal power projects.

The purchase of NYSAGAZ Sp. z o.o. shares by PGNiG Termika S.A. should be considered an element of the first stage of measures taken by the PGNiG Group with a view to growing the market of distributed gas-fired cogeneration in Poland from a niche to a developed market over a time span of ten years.

Sale procedure – sale without holding a public auction, by way of accepting the offer to purchase the 65,490 shares in NYSAGAZ Sp. z o.o. held by PGNiG SA, made by PGNiG Termika S.A.

RESOLUTION No. ____
of the Extraordinary General Meeting
of Polskie Górnictwo Naftowe i Gazownictwo SA
dated October 19th 2015

concerning: approval of the disposal of shares in ZRUG Sp. z o.o. of Poznań and definition of the procedure for and terms of selling the shares

Acting on the basis of Article 56.6.3 of the Articles of Association of Polskie Górnictwo Naftowe i Gazownictwo SA and Section 27.1 of the Regulation of the Council of Ministers on the manner of and procedure for holding auctions for sale of non-current assets by a company established as a result of commercialisation, dated February 13th 2007 (Dz.U. of 2007, No. 27, item 177, as amended), taking into consideration the opinion of the PGNiG Supervisory Board expressed in Resolution No. of 2015 with regard to the Management Board's proposal contained in Resolution No. of 2015, the Extraordinary General Meeting resolves as follows:

Section 1.

The Extraordinary General Meeting of PGNiG SA approves the disposal of the 2,525 shares in ZRUG Sp. z o.o. of Poznań held by PGNiG SA.

Section 2.

The Extraordinary General Meeting of PGNiG SA defines the following procedure and terms for selling the 2,525 shares in ZRUG Sp. z o.o. of Poznań, held by PGNiG SA:

- 1) Sale procedure – sale without holding a public auction, by accepting the offer to purchase shares held by PGNiG SA, made by Mr Hans Helmut Jaeger, the majority shareholder holding 58.20% of the total vote at the general meeting of ZRUG Sp. z o.o.,
- 2) terms of sale – the 2,525 shares shall be sold for an aggregate amount of PLN 5,000,000 (PLN 1,980.19 per share).

Section 3.

This Resolution shall come into force as of its date.

Grounds

PGNiG SA holds 2,525 shares in ZRUG sp. z o.o. of Poznań, representing 40.06% of the company's share capital and conferring the right to 41.71% of the total vote at the company's general meeting. The company provides general contractor services for investment projects in the following areas:

- natural gas and crude oil infrastructure,
- environmental protection,
- no-dig renovation of utilities networks,
- thermal power.

ZRUG sp. z o.o. also offers rental of construction machinery and is a wholesaler of pipes and fittings used in construction of gas, water and sewage networks.

In connection with the policy to streamline the Group's involvement in companies whose activities have no direct contribution to the implementation of the Group's strategy, the Group is taking steps to sell the shares in the two companies. PGNiG SA seeks to optimise its equity involvement also in ZRUG sp. z o.o., whose activity is not directly related to the core business of the PGNiG Group.

PGNiG SA is a passive investor in the company – it does not hold the majority of the total vote at the company's general meeting. Moreover, given the shareholder structure and the limitations on disposal of shares provided for in the company's Articles of Association (including other shareholders' right of first refusal in the case of any shares being sold) and the resultant inability of PGNiG SA to freely dispose of the shares, the shares may only be acquired by a majority shareholder in ZRUG sp. z o.o.

RESOLUTION No. ____
of the Extraordinary General Meeting
of Polskie Górnictwo Naftowe i Gazownictwo SA
dated October 19th 2015

concerning: removal of a PGNiG SA Supervisory Board member

Acting pursuant to the provisions of Art. 385.1 of the Polish Commercial Companies Code and Article 56.2.1) of the Company's Articles of Association, the Extraordinary General Meeting of PGNiG SA hereby resolves as follows:

Section 1

Mr/Ms is hereby removed from the Supervisory Board of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna.

Section 2

This Resolution shall be effective as of its date.

FOUNDATIONS

The inclusion in the General Meeting's agenda of the item concerning changes in the composition of the Supervisory Board follows from the need to strengthen supervision over the operations of the Company.

RESOLUTION No. ____
of the Extraordinary General Meeting
of Polskie Górnictwo Naftowe i Gazownictwo SA
dated October 19th 2015

concerning: appointment of PGNiG SA's Supervisory Board member

Acting pursuant to the provisions of Art. 385.1 of the Polish Commercial Companies Code and Article 56.2.1) of the Company's Articles of Association, the Extraordinary General Meeting of PGNiG SA hereby resolves as follows:

Section 1

Mr/Ms is hereby appointed to the Supervisory Board of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna.

Section 2

This Resolution shall be effective as of its date.

GROUNDNS

The inclusion in the General Meeting's agenda of the item concerning changes in the composition of the Supervisory Board follows from the need to strengthen supervision over the operations of the Company.