



Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, August 6th 2013

**Draft Resolutions for the Extraordinary General Meeting of PGNiG SA convened
for September 5th 2013**

Current Report No. 134/2013

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 September 5th 2013.

Resolution No. ____
of the Extraordinary General Meeting of
Polskie Górnictwo Naftowe i Gazownictwo SA
of September 5th 2013

concerning: adoption of the agenda of 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 Chair 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 concerning amendments to the Company's Articles of Association,
7. Closing of the Meeting.

Section 2

This Resolution shall be effective as of its date.

Resolution No. ____
of the Extraordinary General Meeting of
Polskie Górnictwo Naftowe i Gazownictwo SA
of September 5th 2013

concerning: amendments to the Company's Articles of Association

Acting pursuant to Art. 430.1 of the Commercial Companies Code and Article 56.4.6 of the Company's Articles of Association, the Extraordinary General Meeting of PGNiG S.A. hereby resolves as follows:

Section 1

The Extraordinary General Meeting of PGNiG SA introduces the following amendments to the Company's Articles of Association:

1. in Article 6, item 72 shall read as follows: "72) activities of insurance agents and brokers,"
2. Article 27.1 shall read as follows: "1. The Supervisory Board shall order the election of a candidate for the position of the Management Board member elected by the Company's employees for the next term of office at least three months before the end of the existing term of office, and shall set the date on which such election should take place."
3. Article 64.3 shall be deleted.
4. Article 67.2 shall read as follows: "2) shareholders acting together with shareholders referred to in Article 67.1 above under agreements concerning joint exercise of voting rights."

Section 2

This Resolution shall be effective as of its date.

FOUNDATIONS

Pursuant to Art. 430.1 of the Commercial Companies Code and Article 56.4.6 of the Company's Articles of Association, the Management Board of Polskie Górnictwo

Naftowe i Gazownictwo SA of Warsaw requests that a resolution be adopted to amend PGNiG SA's Articles of Association.

The proposed amendments to PGNiG SA's Articles of Association include:

1. Adding the following new item in the Company's business profile: "activities of insurance agents and brokers" (PKD 66 22 Z).

In connection with the expected deregulation of the gas market, Polskie Górnictwo Naftowe i Gazownictwo SA faces the challenge of maintaining its existing customer base and acquiring new customers. To address the problem, the Company is pursuing a strategy involving the launch of New Products. Its objective is to gain a competitive edge by offering added value in the form of products/services that are not directly related to gas sales but are attractive to customers and reinforce their loyalty to the PGNiG brand. By virtue of Resolution No. 699/2012 of October 15th 2012, the PGNiG Management Board decided to:

- Approve the procedure for appointment of a broker,
- Approve the appointment of a competition committee,
- Grant the relevant powers of proxy to execute an agreement with a broker selected in the competition.

In connection with the Management Board's resolution, having completed the competition the Company mandated Mentor S.A. of Toruń, a broker, to develop and implement an insurance programme for PGNiG SA's customers. At the design phase of the project, following an analysis of different options for the operational model of the programme and the tasks assigned to PGNiG SA, including the capacity of the Company's employees to carry out certain agency work, and following an analysis of potential sales channels and products to be offered to the Company's customers, it was decided that in order to ensure flexible project execution in compliance with project-specific formal and legal requirements, the Company's Articles of Association should provide for conduct of the activities of insurance agents and brokers. One of the options for the operational model of the insurance programme assumes that the Company will directly participate in the sale process (sale through the Company's channels – Contact Centre, customer service offices), and therefore some of the Company's employees may carry out certain agency work. For that reason, as a means of security, the Company's Articles of Association should be amended to provide for conduct of the activities of insurance agents and brokers, which will allow the Company to be flexible in pursuing any business opportunities in the process of development, implementation and sale of new products and services to the Company's customers. The new insurance offer does not include insurance of infrastructure or other of PGNiG's assets. It is instead addressed to the Company's customers and is expected to include insurance of systems and equipment owned by customers. Customers will thus be able to obtain insurance, for example against the failure of any heating, electrical or water supply and sewage systems/equipment (depending on the agreement, customers may request assistance at home, repairs, or repairs involving replacement of parts). It is assumed that as the programme grows, the insurance offer may be extended to include additional insurance products related to household maintenance, e.g. home insurance. The launch of the new product (insurance offered to customers) is not

only aimed at making the Company's offer more attractive but also, most importantly, meeting customer expectations. The scope of the insurance offer will not extend beyond the Company's core business. Following the inclusion in PGNiG SA's business profile of activities classified under PKD 66.22.Z: *Activities of insurance agents and brokers*, in order to receive the status of insurance agent the Company will be required to meet the following conditions:

- At least half of its Management Board members will have to complete training in agency activities and pass a relevant examination,
 - Contact Centre and customer service office staff who will be selling insurance policies will have to complete training (and pass a relevant examination). These persons will then be granted the status of persons performing agency activities.
2. Amending Article. 27.1 to read as follows: "1. The Supervisory Board shall order the election of a candidate for the position of the Management Board member elected by the Company's employees for the next term of office at least three months before the end of the existing term of office, and shall set the date on which such election should take place."

The purpose behind the change of the date of ordering the election of a candidate for the position of the Management Board member elected by the Company's employees for the next term of office is to align it with the date of election of other Management Board members.

The PGNiG Management Board is elected for a joint term of office of three years. In order to ensure the continuity of the Management Board's operations, it is necessary to elect new members for each new term of office before the expiry of the mandates of existing Management Board members. As election of Management Board members is subject to specific procedures, such procedures should be initiated and completed in advance.

The following two procedures for appointment of Management Board members for a new term of office are in place:

1. In accordance with the current wording of Article 27.1 of the Articles of Association, the election of a candidate for the position of the Management Board member elected by the Company's employees is ordered by the Supervisory Board within two months from the end of the last full financial year during a member's mandate.

2. In accordance with the Regulation of the Polish Council of Ministers concerning qualification procedures for members of management boards of certain commercial-law companies, dated March 18th 2003 (Dz.U. of 2003, No. 55, item 476) (the *Regulation*), in the case of the other Management Board members, the election is carried out as a qualification procedure initiated by the Supervisory Board within at least three months before the end of the term of office of the existing Management Board member.

If the proposed amendments are made, the procedure for election of the Management Board for each new term of office, applicable to Management Board members elected in accordance with the Regulation and pursuant to the Articles of Association, may be initiated at the same time, i.e. at least three months before the end of the existing term of office.

Given that PGNiG SA, as a company established through commercialisation, is required to elect Management Board members in accordance with the Regulation and observe the requirement of initiating a qualification procedure at least three months in advance, it is reasonable to apply the same timeframe when Management Board members are elected under the Articles of Association.

It must be noted that in accordance with Art. 16 of the Act on Commercialisation and Privatisation of August 30th 1996 (consolidated text, Dz.U. of 2013, No. 216), the rules and procedure for election and removal of a management board member by employees are defined in the articles of association, which may be amended by following a relevant procedure. Therefore, there are no formal and legal obstacles to making the proposed amendments to the Articles of Association, designed to align the election procedures with the regulations applicable to companies established through commercialisation.

The amendment is aimed at aligning the election dates and ensuring the consistency of procedures for election of Management Board members. It will also facilitate election of all Management Board members sufficiently in advance, which will have a positive effect in organisational terms and will ensure that the Management Board will always operate in its full composition.

3. Deleting Article 64.3 – as of January 1st 2013, under the Act on Reduction of Certain Obligations of Citizens and Entrepreneurs, dated September 16th 2011, publication of the official Monitor Polski B gazette was discontinued, making Article 64.3 of the Articles of Association irrelevant, as it required the Company's Management Board to submit financial statements for publication in the gazette.
4. Deleting the second sentence of Article 67.2, which refers to the previously deleted Article 66. The sentence remained in the text as a result of an apparent editorial error and as such this should be corrected.