



Polskie Górnictwo Naftowe i Gazownictwo SA  
Centrala Spółki

Warsaw, May 27th 2013

**Draft Resolutions for the  
Extraordinary General Meeting of PGNiG SA convened for June 26th 2013**

Current Report No. 92/2013

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 June 26th 2013.

Draft Resolution concerning adoption of the agenda of the Extraordinary  
General Meeting of PGNiG SA

**Resolution No. \_\_\_\_**  
**of the Extraordinary General Meeting of**  
**Polskie Górnictwo Naftowe i Gazownictwo S.A.**  
**dated June 26th 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 Resolutions concerning:
  - the merger of PGNiG S.A. with PGNiG Energia S.A. under Art. 492.1.1 of the  
Commercial Companies Code (merger through acquisition), including PGNiG  
S.A.'s resulting acquisition of shares held by PGNiG Energia S.A. in  
Elektrociepłownia Stalowa Wola S.A. by way of universal succession;
  - approving PGNiG S.A.'s disposal of shares in Elektrociepłownia Stalowa Wola  
S.A. and PGNiG S.A.'s acquisition of shares in the increased share capital of  
PGNiG TERMIKA S.A.;
7. Adoption of a Resolution concerning the use of capital reserves designated as  
"Central Restructuring Fund" for one-off redundancy payments to former employees  
of Geofizyka Kraków S.A.,
8. Adoption of a Resolution concerning the use of capital reserves designated as  
"Central Restructuring Fund" for one-off redundancy payments to former employees  
of PNiG Jasło S.A. (currently: Exalo Drilling S.A. Jasło Branch),
9. Closing of the Meeting.

Section 2

This Resolution has been passed by ..... approving votes and shall take effect as of  
its adoption date.

Draft Resolutions concerning:

- the merger of PGNiG S.A. with PGNiG Energia S.A. under Art. 492.1.1 of the Commercial Companies Code (merger through acquisition), including PGNiG S.A.'s resulting acquisition of shares held by PGNiG Energia S.A. in Elektrociepłownia Stalowa Wola S.A. by way of universal succession;
- approving PGNiG S.A.'s disposal of shares in Elektrociepłownia Stalowa Wola S.A. and PGNiG S.A.'s acquisition of shares in the increased share capital of PGNiG TERMIKA S.A.;

**Resolution No. \_\_\_\_**  
**of the Extraordinary General Meeting of**  
**Polskie Górnictwo Naftowe i Gazownictwo S.A.**  
**dated June 26th 2013**

concerning the merger of PGNiG S.A. and PGNiG Energia S.A.

**Section 1**

Acting pursuant to the provisions of Art. 506 of the Polish Commercial Companies Code ("Commercial Companies Code") and Art. 56.4.1 of the Company's Articles of Association, taking into account the positive opinion of the Company's Supervisory Board, as expressed in Resolution No. 71/VI/2013 of April 24th 2013, on the proposal put forward by the Company's Management Board in Resolution No. 238/2013 of March 27th 2013, the Extraordinary General Meeting hereby resolves to approve the merger, to be effected under Art. 492.1.1 of the Commercial Companies Code, of PGNiG Energia Spółka Akcyjna of Warsaw, as the target company, and Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna entered into the Register of Entrepreneurs maintained by the District Court for the Capital City of Warsaw in Warsaw, XII Commercial Division of the National Court Register, under No. KRS 000059492, as the acquiring company, through: (1) transfer of all the assets of the target company, including 14,100,000 shares in Elektrociepłownia Stalowa Wola S.A. held by PGNiG Energia S.A., and all shares in Biogazownia Ostrowiec Spółka z ograniczoną odpowiedzialnością in liquidation held by PGNiG Energia S.A., to the acquiring company, as the sole shareholder of the target company, and (2) dissolution of the target company without a liquidation procedure.

**Section 2**

The merger referred to in Section 1 shall be effected in accordance with Art. 515.1 of the Commercial Companies Code, without increasing the share capital of PGNiG S.A.

and without amending its Articles of Association, and as provided for in the plan of merger attached to this Resolution, agreed between the Management Boards of PGNiG S.A. and PGNiG Energia S.A. on April 29th 2013 and announced on May 7th 2013 in the official journal, Monitor Sądowy i Gospodarczy No 87 (4204).

### **Section 3**

Since PGNiG S.A. is the sole shareholder of PGNiG Energia S.A., in accordance with Art. 516.6 of the Commercial Companies Code, the merger referred to in Section 1 shall be effected under the simplified procedure, subject to the limitations resulting from PGNiG S.A.'s status of a public company.

### **Section 4**

The Extraordinary General Meeting hereby approves the plan of merger attached to this Resolution.

### **Section 5**

The Extraordinary General Meeting hereby authorises the Company's Management Board to take any action necessary to effect the merger of PGNiG S.A. and PGNiG Energia S.A.

### **Section 6**

This Resolution has been passed by ..... approving votes and shall take effect as of its adoption date.

**Resolution No. \_\_\_\_  
of the Extraordinary General Meeting of  
Polskie Górnictwo Naftowe i Gazownictwo S.A.  
dated June 26th 2013**

concerning approval of the Company's disposal of shares in Elektrociepłownia Stalowa Wola S.A. and the Company's acquisition of shares in the increased share capital of PGNiG TERMIKA S.A.;

### **Section 1**

Acting pursuant to the provisions of Par. 56.3.3a and Par. 56.6.2 of the Company's Articles of Association, taking into consideration the Supervisory Board's Resolution No. 71/VI/2013 dated April 24th 2013 r., in which the Supervisory Board expressed its favourable opinion on the Management Board's proposal put forward in Resolution No. 238/2013 dated March 27th 2013, the Extraordinary General Meeting hereby approves the proposed disposal by the Company of 14,100,000 shares in Elektrociepłownia

Stalowa Wola S.A. by way of a non-cash contribution towards the share capital of PGNiG TERMIKA S.A., covering an increase of the company's share capital, as well as the increase of PGNiG TERMIKA S.A.'s share capital and the proposed acquisition by the Company of the newly issued shares in the increased share capital of PGNiG TERMIKA S.A., with a total value equal to the current value of the contributed 14,100,000 shares in Elektrociepłownia Stalowa Wola S.A., with a proviso that the disposal of shares in Elektrociepłownia Stalowa Wola S.A. by way of a non-cash contribution towards the share capital of PGNiG TERMIKA S.A. will be effected only after the merger of PGNiG S.A. and PGNiG Energia S.A. under Art. 492.1.1 of the Commercial Companies Code (merger through acquisition) has been registered in the National Court Register and after PGNiG S.A. has acquired - as part of the transaction, by way of universal succession - 14,100,000 shares in Elektrociepłownia Stalowa Wola S.A. held by PGNiG Energia S.A.

## **Section 2**

The Extraordinary General Meeting hereby authorises the Management Board to take any action necessary in connection with the Company's disposal of 14,100,000 shares in Elektrociepłownia Stalowa Wola S.A. by way of a non-cash contribution towards the share capital of PGNiG TERMIKA S.A., covering an increase of that company's share capital, as well as with the increase of PGNiG TERMIKA S.A.'s share capital and the Company's acquisition of the newly issued shares in the increased share capital of PGNiG TERMIKA S.A.

## **Section 3**

This Resolution shall take effect as of its adoption date.

The Chairman announced that the Resolution had been passed by ..... approving votes.

## **FOUNDATIONS**

By virtue of its Resolution passed on December 20th 2011, the Management Board of PGNiG S.A. adopted the "Concept for the operation of the power segment within the PGNiG Group", whose key objective is to turn PGNiG TERMIKA S.A. into a Group-wide competence centre for electricity and heat generation. The Concept provides, inter alia, for the transfer to PGNiG TERMIKA S.A. of shares in Elektrociepłownia Stalowa Wola S.A., currently held by another company of the PGNiG Group, namely PGNiG Energia S.A. When compared with PGNiG Energia S.A., PGNiG TERMIKA S.A. has larger economic potential and better credit standing; it has also more extensive experience in the execution of electricity and heat generation projects.

By virtue of Resolution No. 587/2012 of August 28th 2012, the Management Board of PGNiG S.A. gave its conditional consent (subject to approval by the General Meeting of PGNiG S.A.) for a two-stage transaction consisting in:

- 1) PGNiG S.A.'s sale of 264,672 shares in PGNiG Energia S.A. to PGNiG Energia S.A. with a view to their retirement, and PGNiG S.A.'s acquisition from PGNiG Energia S.A. of 14,100,000 shares in Elektrociepłownia Stalowa Wola S.A. as consideration due to PGNiG S.A. for the sale of 264,672 shares in PGNiG Energia S.A. for retirement;
- 2) PGNiG S.A.'s non-cash contribution in the form of 14,100,000 shares in Elektrociepłownia Stalowa Wola S.A. to cover an increase in the share capital of PGNiG TERMIKA S.A.

On September 3rd 2012, by virtue of Resolution No. 592/2012, the Management Board of PGNiG S.A. adopted the "Concept for the reorganisation of the wholesale trading function at the PGNiG Group". The document recommends the establishment of a new PGNiG branch which would eventually take over the entire wholesale trading function, currently dispersed among various organisational units of the PGNiG Group (PGNiG S.A. Gas Acquisition Department, PGNiG Energia S.A. Trading Division and PGNiG Sales & Trading). The Concept gives the following reasons for establishing such a new Branch within the PGNiG Group:

- strategic importance of the wholesale trading function in the PGNiG Group's entire value chain;
- material risks in the area of transfer pricing in trading relations, which would arise if the Wholesale Trading Division was located not within the structure of PGNiG S.A., but at one of PGNiG S.A.'s subsidiaries;

and

- need to reduce administrative expenses at the PGNiG Group and avoid a situation where support functions at two separate entities would overlap. The document also recommends that all functions performed to date by PGNiG Energia S.A. (including investment projects in the power sector) be transferred to PGNiG TERMIKA S.A. and that PGNiG Energia S.A. be liquidated.

On October 8th 2012, by virtue of Resolution No. 684/2012, the Management Board of PGNiG S.A. resolved to carry out analyses and take initial steps designed to spin off the Wholesale Trading Division from PGNiG Energia S.A. and integrate them into the structures of the Wholesale Trading Division of PGNiG S.A. In the same Resolution, the Management Board of PGNiG S.A. recommended to the Management Board of PGNiG Energia S.A. to prepare and submit for approval to the Strategy and Group Department Director a plan of actions designed to gradually discontinue and wind up the operations of PGNiG Energia S.A.

In performance of the Resolution, analyses were undertaken on the basis of which a concept was adopted providing for the acquisition of PGNiG Energia S.A. by PGNiG S.A. under Art. 492.1.1 in conjunction with Art. 516.6 of the Commercial Companies Code. First of all, the adopted solution makes it possible to achieve all of the assumed objectives in a single and coherent procedure covering all of PGNiG Energia's assets, and thus eliminating the necessity for parallel activities with respect to Elektrociepłownia Stalowa Wola S.A. shares and the trading division's assets.

Pursuant to Art. 516.6 of the Commercial Companies Code, the merger may be effected under the simplified procedure, without a share capital increase at PGNiG S.A. (in accordance with Art. 515.1 of the Code), but subject to the General Meeting

adopting a merger resolution (given the fact that PGNiG S.A. is a public company – cf. the second sentence of Art. 516.1 of the Commercial Companies Code). When compared with the basic merger-through-acquisition procedure, the permitted scope of simplification includes:

- simplification of the plan of merger (no need to define a share exchange ratio, rules governing the allotment of shares in the acquiring company to the shareholders of the target company and the date as of which such shares would carry the right to dividend);
- removal of the obligation for the Management Boards of the merging companies to prepare reports giving reasons for the merger through acquisition;

as well as

- removal of the obligation to have the merger plan audited by a court-appointed expert.

These simplifications would significantly reduce corporate requirements for obtaining a relevant approval of the contemplated transaction, which would also enable the plan to be implemented within a relatively short time span and at a relatively low cost. It should also be noted that the merger procedure does not give rise to any material tax risks, and that it includes universal succession of the rights and obligations relating to the assets of the target company.

In view of the above, on December 19th 2012, by virtue of Resolution No. 911/2012, the Management Board of PGNiG S.A. resolved to repeal its Resolution No. 587/2012 of August 28th 2012 and adopt a solution providing for the merger of PGNiG Energia S.A. and PGNiG S.A. under Art. 492.1.1 in conjunction with Art. 516.6 of the Commercial Companies Code.

#### **Manner of the merger of PGNiG S.A. (as the Acquiring Company) with PGNiG Energia S.A. (as the Target Company)**

- Pursuant to Art. 492.1.1 of the Commercial Companies Code, the merger will be effected through transfer, by way of universal succession, of all the assets of the Target Company to the Acquiring Company, as the sole shareholder of the Target Company, and dissolution of the Target Company without a liquidation procedure (merger through acquisition).
- Pursuant to Art. 515.1 of the Commercial Companies Code, the merger will be effected without increasing the share capital of the Acquiring Company.
- Pursuant to Art. 516.5 in conjunction with Art. 516.6 of the Commercial Companies Code, the Management Boards of the Merging Companies will not prepare merger reports, and the Plan of Merger will not be audited by an auditor appointed by the registry court.
- As the Acquiring Company is a public company, the first sentence of Art. 516.1 of the Commercial Companies Code does not apply, and therefore the merger requires adoption of relevant Resolutions by the General Meetings of PGNiG S.A. and PGNiG Energia S.A., as stipulated in Art. 506 of the Commercial Companies Code.

### **Share exchange ratio**

Pursuant to Art. 516.6 of the Commercial Companies Code, the requirement to determine the ratio at which shares in the Target Company would be exchanged for shares in the Acquiring Company, does not apply.

### **Rules governing allotment of shares in the Acquiring Company**

Pursuant to Art. 516.6 of the Commercial Companies Code, the requirement to determine the rules governing the allotment of shares in the Acquiring Company does not apply.

### **Date as of which the shares carry the right to dividend**

Pursuant to Art. 516.6 of the Commercial Companies Code, the requirement to determine the date as of which the shares would carry the right to dividend paid out by the Acquiring Company does not apply.

### **Rights granted by the Acquiring Company to the shareholder of the Target Company or any other persons holding special rights in the Target Company**

In connection with the merger, the Acquiring Company has not granted and will not grant any rights to the sole shareholder of the Target Company or any persons holding special rights in the Target Company.

### **Special benefits for members of the merging companies' governing bodies or for any other persons involved in the merger**

In connection with the merger, neither of the Merging Companies has granted or will grant any special benefits to members of the Acquiring Company's or the Target Company's governing bodies, or to any other persons involved in the merger.

PGNiG Energia S.A. is a wholly-owned subsidiary of PGNiG S.A., consolidated in the financial statements of the PGNiG Group. From the shareholder's perspective, the merger will result in no changes other than a change in the structure of the PGNiG Group. The merger will be effected under joint control. The merger will be neutral to the shareholders, because the value of the assets and liabilities of PGNiG Energia S.A. for the transaction settlement purposes will be based on the consolidated financial statements of the PGNiG Group, rather than the separate financial statements of PGNiG Energia S.A.

After the merger of PGNiG S.A. and PGNiG Energia S.A. under Art. 492.1.1 of the Commercial Companies Code (merger through acquisition) has been registered in the National Court Register and after PGNiG S.A. has acquired - as part of the transaction, by way of universal succession - 14,100,000 shares in Elektrociepłownia Stalowa Wola S.A., PGNiG S.A. will dispose of the 14,100,000 shares in Elektrociepłownia Stalowa Wola S.A. by way of a non-cash contribution of those shares towards the share capital of PGNiG TERMIKA S.A. (covering an increase of that company's share capital), the share capital of PGNiG TERMIKA S.A. will be increased and PGNiG S.A. will acquire the newly issued shares in the increased share capital of PGNiG TERMIKA S.A., with a total value equal to the current value of the contributed 14,100,000 shares in Elektrociepłownia Stalowa Wola S.A.

The merger will also require amendments to the following agreements:



- Agreement on the operation of Elektrociepłownia Stalowa Wola S.A., executed between PGNiG S.A., PGNiG Energia S.A., TAURON Polska Energia S.A., TAURON Wytwarzanie S.A. and Elektrownia Stalowa Wola S.A., (the “Operation Agreement”) – amendment to the effect that the party acquiring shares in Elektrociepłownia Stalowa Wola S.A. (PGNiG TERMIKA S.A.) assumes the rights and obligations of the disposing party (PGNiG S.A.), following PGNiG S.A.’s non-cash contribution of those shares to cover an increase in the share capital of PGNiG TERMIKA S.A.
- Long-term electricity sale contract, concluded on March 11th 2011 between PGNiG S.A., PGNiG Energia S.A., TAURON Polska Energia S.A. and Elektrociepłownia Stalowa Wola S.A. – amendment changing the parties to the contract to reflect the situation after PGNiG S.A.’s acquisition of PGNiG Energia S.A.

Accordingly, the Management Board of PGNiG S.A. proposes as stated at the beginning.

Draft Resolution concerning the use of capital reserves designated as “Central Restructuring Fund” for one-off redundancy payments to former employees of Geofizyka Kraków S.A.

**Resolution No. \_\_\_\_**  
**of the Extraordinary General Meeting of**  
**Polskie Górnictwo Naftowe i Gazownictwo S.A.**  
**dated June 26th 2013**

concerning the use of capital reserves designated as “Central Restructuring Fund” for one-off redundancy payments to former employees of Geofizyka Kraków S.A.

**Section 1**

Acting pursuant to Par. 56.3.9 of the Company’s Articles of Association and taking into account the favourable opinion of the PGNiG Supervisory Board contained in Resolution No. 90/VI/2013 of May 20th 2013, the General Meeting hereby resolves as follows:

The General Meeting of PGNiG SA resolves to allocate PLN 2,329,255.98 from the capital reserve designated as "Central Restructuring Fund" to one-off redundancy payments to 46 former employees of Geofizyka Kraków SA.

This Resolution has been passed by ..... approving votes and shall take effect as of the adoption date.

## **Section 2**

This Resolution shall take effect as of its adoption date.

The Chairman announced that the Resolution had been passed by ..... approving votes.

## **FOUNDATIONS**

The Management Board of Geofizyka Kraków SA submitted a Request to the Central Restructuring Fund Committee appointed by virtue of Resolution No. 80/2012 of PGNiG's Management Board, dated February 16th 2012, and Resolution No. 336/2012 of PGNiG's Management Board, dated June 11th 2012, to be granted funds from the capital reserve designated as "Central Restructuring Fund" to finance one-off redundancy payments to the company's former employees.

Pursuant to Par. 8.3.a of the Programme for Employment Streamlining and Redundancy Payments to Employees of the PGNiG Group for 2009-2011 (Stage 3), the purposes for which the funds from the capital reserve designated as "Central Restructuring Fund" may be used include supporting the streamlining and restructuring initiatives by providing redundancy payments (social benefits) to former employees of the companies covered by the Programme, who have found themselves in a difficult financial situation.

As the Management Board of Geofizyka Kraków S.A. stated in its Request, the employment contracts with the employees covered by Programme were terminated by

the employer to implement the Programme for Employment Streamlining, approved by the General Meeting of Geofizyka Kraków S.A. on January 3rd 2013.

The current amount of the Central Restructuring Fund is PLN 6,161,836.71. Accordingly, the Management Board of PGNiG SA proposes as stated at the beginning.

Draft Resolution concerning the use of capital reserves designated as "Central Restructuring Fund" for one-off redundancy payments to former employees of PNiG Jasło SA (currently: Exalo Drilling SA Jasło Branch).

**Resolution No. \_\_\_\_**  
**of the Extraordinary General Meeting of**  
**Polskie Górnictwo Naftowe i Gazownictwo S.A.**  
**dated June 26th 2013**

concerning the use of capital reserves designated as "Central Restructuring Fund" for one-off redundancy payments to former employees of PNiG Jasło SA (currently: Exalo Drilling SA Jasło Branch)

**Section 1**

Acting pursuant to Par. 56.3.9 of the Company's Articles of Association and taking into account the favourable opinion of the PGNiG Supervisory Board contained in Resolution No. .... of ....., the General Meeting hereby resolves as follows:

The General Meeting of PGNiG SA resolves to allocate PLN 886,890.87 from the capital reserve designated as "Central Restructuring Fund" to one-off redundancy payments to 22 former employees of PNiG Jasło SA (currently: Exalo Drilling SA Jasło Branch).

**Section 2**

This Resolution shall take effect as of its adoption date.

The Chairman announced that the Resolution had been passed by ..... approving votes.

## **GROUNDS**

The Management Board of PNiG Jasło SA (currently: Exalo Drilling SA Jasło Branch) submitted a Request to the Central Restructuring Fund Committee appointed by virtue of Resolution No. 80/2012 of PGNiG's Management Board, dated February 16th 2012, and Resolution No. 336/2012 of PGNiG's Management Board, dated June 11th 2012, to be granted funds from the capital reserve designated as "Central Restructuring Fund" to finance one-off redundancy payments to the company's former employees.

Pursuant to Par. 8.3.a of the Programme for Employment Streamlining and Redundancy Payments to Employees of the PGNiG Group for 2009–2011 (Stage 3), the purposes for which the funds from the capital reserve designated as "Central Restructuring Fund" may be used include supporting the streamlining and restructuring initiatives by providing redundancy payments (social benefits) to former employees of the companies covered by the Programme, who have found themselves in a difficult financial situation.

The employment contracts with the employees covered by Programme were terminated by the employer to implement the Programme for Employment Streamlining, an element of the broader Restructuring Programme implemented at the company. The company's economic and financial standing prevents it from financing redundancy payments to which its former employees are entitled from the company's own funds.

The current amount of the Central Restructuring Fund is PLN 3,823,580.73. Accordingly, the Management Board of PGNiG SA proposes as stated at the beginning.

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).