

**Resolutions passed by the Extraordinary General Shareholders Meeting of PGNiG
on March 29th 2007**

Current Report No. 13/2007 dated March 29th, 2007

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG") hereby publishes the wording of the resolutions passed by the Extraordinary General Shareholders Meeting on March 29th 2007:

**Resolution No 1
of the Extraordinary General Shareholders Meeting of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
of 29 March 2007**

on: application of capital reserves designated as "Central Restructuring Fund for 2005–2007" for one-time payments (employee termination benefits) to 11 former employees of Geovita Sp. z o.o. of Warsaw

Acting pursuant to Art. 56.3.9 of the Company's Articles of Association and based on the positive opinion of the PGNiG Supervisory Board contained in Resolution No. 23/IV/07 of March 20th 2007 the Extraordinary General Shareholders Meeting of PGNiG S.A. hereby resolves as follows:

Par. 1

The Extraordinary General Shareholders Meeting of PGNiG resolves to apply funds from the capital reserves designated as "Central Restructuring Fund for 2005–2007", in the amount of PLN 560,000.00 for one-time payments (employee termination benefits) to 11 former employees of Geovita Sp. z o.o. of Warsaw.

Par. 2

This Resolution shall take effect as of its adoption date.

**Resolution No 2
of the Extraordinary General Shareholders Meeting of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
of 29 March 2007**

on: approval of the establishment of a dedicated company for implementation of the LNG regasification project and taking up of shares in such company

Acting pursuant to § 56, Clause 4 sub-clause 5 and Clause 6 of the Articles of Association of the Company, the Extraordinary General Meeting resolves as follows:

§ 1

The General Meeting of PGNiG SA resolves to approve:

- 1) establishment of a limited liability company having its registered office in Świnoujście, which will operated under the business name of "Polskie LNG Sp. z o.o.", with share

capital of PLN 28,000,000 (say: twenty-eight million zlotys) and scope of business encompassing in particular regasification of gaseous fuels, and to taking up of all shares in so-established company by PGNiG SA in consideration of contributions paid in cash for nominal the value of the share capital, and approves the content of the Deed of Association of the Company, which is enclosed as Appendix 1 hereto.

- 2) taking up of all new shares by PGNiG SA in case of the share capital increase in the company referred to in item 1 above, by the amount of PLN 11,000,000 (say: eleven million zlotys) by 30 September 2007, and by a further amount of PLN 11,000,000 (say: eleven million zlotys) by 31 December 2007, in both cases in consideration of contributions paid in cash for the nominal value of the share capital increase.

§ 2

This Resolution shall take effect as of its adoption date.

The Appendix 1 to the resolution no 2 of the Extraordinary General Shareholders Meeting of 29 March 2007

DEED OF ASSOCIATION OF A LIMITED LIABILITY COMPANY Polskie LNG Sp. z o.o.

I. GENERAL PROVISIONS

§ 1

1. The Company shall operate under the business name of: Polskie LNG Spółka z ograniczoną odpowiedzialnością. The company may use the abbreviated name of: PLNG Sp. z o.o. and a distinctive logo. -----

§ 2

1. The registered office of the Company is located in Świnoujście. -----
2. The term of the Company is unlimited. -----

§ 3

1. The Company conducts its business within and outside the territory of the Republic of Poland. -----
2. The Company may establish plants, branches, representative offices and other organisational entities, both domestically and abroad. -----
3. The Company may hold shares in commercial law companies both domestically and abroad. -----
4. The company may establish and participate in other organisations in accordance with the applicable legal regulations. -----

II. SCOPE OF BUSINESS

§ 4

The scope of the Company's business encompasses: -----

1. extraction of natural gas (PKD 11.10.B), -----

2. production of gaseous fuels (PKD 40.21.Z), -----
3. handling of goods (PKD 63.11), -----
4. storage and warehousing of goods (PKD 63.12), -----
5. purchase and sale of real estate on own account (PKD 70.12.Z),-----
6. rent of real estate on own account (PKD 70.20.Z), -----
7. rent of other means of land transport (PKD 71.21.Z),-----
8. research and development in natural and technical sciences (PKD 73.10), -----
9. technical research and analyses (PKD 74.30.Z). -----

III. SHARE CAPITAL

§ 5

1. The share capital of the Company amounts to PLN 28,000,000 (say: twenty-eight million zlotys) and is divided into 28,000 (say: twenty-eight thousand) equal indivisible shares of the nominal value of PLN 1,000 (say: one thousand zlotys) each. -----
2. The shares in the share capital have been taken up in full by the sole shareholder of the Company – a joint-stock company under the business name of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna (hereinafter PGNiG S.A.) having its registered office in Warsaw and registered in the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register, under number KRS 0000059492, and have been covered in full by cash contribution. -----
3. A shareholder may hold more than one share. -----
4. The share book shall be maintained by the Management Board. -----

§ 6

1. The share capital of the Company may be increased by a resolution of the Shareholders Meeting, either through issuance of new shares or through increase of the nominal value of the existing ones. -----
2. The shareholders shall have the priority right to take up new shares in the increased share capital in proportion to their shareholdings. -----
3. A share capital increase up to the amount of PLN 130,000,000 (say: one hundred and thirty thousand million zlotys) by 31 December 2011 shall not constitute an amendment of the deed of the Company.-----

§ 7

1. Shares may be redeemed subject to the consent of the Shareholders through repurchase of such shares by the Company. -----
2. Redemption of shares shall be funded from the net profit or subject to regulations governing decrease of the share capital. -----
3. Redemption of shares shall require a resolution of the Shareholders Meeting setting out, specifically, the legal basis for such redemption, the amount of compensation payable in consideration for the redeemed shares, and in case of redemption of shares subject to the regulations on share capital decrease such resolution shall also set out the method of share capital decrease. -----

§ 8

1. Transfer or pledge of shares, or a fractional part thereof, shall require, subject to Clause 3 below, an approval by the Shareholders Meeting. -----
2. Any transfer or pledge of shares with breach of the above procedure shall be ineffective with respect to the Company. -----
3. The restrictions concerning the transfer and pledge of shares of the Company shall not apply to disposal of the Company's shares by the sole Shareholder of the Company. -----

IV. CORPORATE BODIES

§ 9

The corporate bodies of the Company are: -----

- A. Shareholders Meeting, -----
- B. Supervisory Board, -----
- C. Management Board. -----

A. Shareholders Meeting. -----

§ 10

1. The Shareholders Meeting may be convened as an ordinary or extraordinary one.
2. The Ordinary Shareholders Meeting shall be convened by the Management Board of the Company. If the Management Board fails to convene the Ordinary Shareholders Meeting within the statutory date, the Supervisory Board shall have the right to convene such an Ordinary Shareholders Meeting.
3. The Extraordinary Shareholders Meeting shall be convened by the Management Board:
 - a) on its own initiative;
 - b) upon written request of the Supervisory Board;
 - c) upon written request of Shareholders representing at least one-tenth of the share capital, to be submitted at least one month before the proposed date of the Shareholders Meeting.
4. The convocation of an Extraordinary Shareholders Meeting upon the request from the Supervisory Board or the Shareholders shall take place within two weeks of such requesting being made.
5. In the event that the Extraordinary Shareholders Meeting is not convened by the above date:
 - a) if the request to convene was presented by the Supervisory Board – it shall have the right to convene the requested Shareholder Meeting;
 - b) if the request to convene was presented by the Shareholders – the registration court may, after calling upon the Management Board to deliver a statement, authorise the Shareholders that came up with the request to convene the Extraordinary Shareholders Meeting.
6. The Management Board of the Company shall be obliged to prepare and provide the Shareholders with exhaustive materials related to the agenda of the Shareholders Meeting.

§ 11

1. The Shareholders Meeting may only adopt resolutions on matters covered in the agenda, subject to Article 239 of the Commercial Companies Code. -----
2. The agenda shall be set by the entity convening the Shareholders Meeting. -----
3. The Supervisory Board of Shareholders representing at least 1/10 of the share capital may request that specific matters be included in the agenda for the upcoming Shareholders Meeting. -----
4. If the request referred to in Clause 3 is presented after the Shareholders Meeting is convened, than it will be presented as a request for convocation of a subsequent Extraordinary Shareholders Meeting. -----
5. Resolutions may be adopted in spite of the Shareholders Meeting not being formally convened, if the entire share capital is represented and nobody present objects to the Shareholders Meeting being held or inclusion of specific matters in the agenda. -----

§ 12

The Shareholders Meeting shall be held in the registered office of the Company or in Warsaw. -----

§ 13

Each share shall carry 1 (say: one) vote at the Shareholders Meeting. -----

§ 14

1. Shareholders may take part in the Shareholders Meeting and exercise their voting rights in person or through a proxy. -----
2. The proxy to represent a Shareholder at the Shareholders Meeting shall be given in writing and enclosed to the book of minutes, otherwise being null and void. -----

§ 15

Resolutions of the Shareholders Meeting shall be adopted with absolute majority of votes cast, unless the act or this Deed provide for a more stringent majority. -----

§ 16

1. The voting shall be open. -----
2. A secret vote shall be ordered in case of elections and voting over motions to recall members of corporate bodies or liquidators of the Company, to hold them liable, as well as on personnel-related matters. In addition, a secret vote should be ordered upon request of at least one of the shareholders present or represented at the Shareholders Meeting. The provisions of this Clause shall not apply in case of a sole Shareholder. -----

§ 17

1. The Shareholders Meeting shall be opened by the Chairman of the Supervisory Board or the President of the Management Board, whereupon the Chairman of the Shareholders Meeting shall be elected from among the persons authorised to participate in the Shareholders Meeting. -----

2. In the absence of the persons referred to in Clause 1, or their Deputies, the Shareholders Meeting shall be opened by a person authorised to participate in the Shareholders Meeting.-----

§ 18

1. Resolutions of Shareholders, subject to the following Clauses, shall be adopted at a Shareholders Meeting. -----
2. Resolution may be adopted without holding a Shareholders Meeting, if all Shareholders express their consent in writing to a provision to be adopted, or to voting by correspondence.-----
3. The proposal for adoption of a resolution in accordance with the procedure described in Clause 2 shall be presented by the Management Board, on its own initiative, upon a request of a Shareholder or the Supervisory Board, and shall set a period of up to 2 (say: two) weeks for the Shareholders to submit their consent in writing to the provision to be adopted, or to voting by correspondence.-----
4. In the event when within 2 (say: two) weeks of receiving the request from a Shareholder or the Supervisory Board, as referred to in Clause 3 above, the Management Board does not set the date by when the Shareholders should submit their consent in writing to the provision to be adopted, or to voting by correspondence, such date shall be set the Chairman of the Supervisory Board. -----
5. The failure to respond within the date indicated by the Management Board or, in the event described in Clause 4 above, by the Chairman of the Supervisory Board, shall be deemed to constitute a refusal of consent to the provision to be adopted, or to voting by correspondence. The date of response shall be the date on which the consent in writing is received by the Management Board or, in the event described in Clause 1, by the Chairman of the Supervisory Board. -----
6. A letter of the Shareholder expressing or refusing the consent to the provision referred to in Clause 2 should, in addition to the relevant declaration, contain the proposed resolution. Submission of a letter that does not satisfy the requirements set out in the previous sentence shall be deemed to constitute a refusal of consent to the provision to the provision that was to be adopted. -----
7. In the event that the consent to voting by correspondence is expressed, the Shareholders shall submit a letter containing the proposed resolution and the declaration of the Shareholder on voting “for” or “against”, or abstaining, by the deadline set by the Management Board or, in the case referred to in Clause 4, by the Chairman of the Supervisory Board, which cannot be shorter than 7 (say: seven) days. The determination of whether the deadline has been met shall be based on the date of receipt of the letter with the Shareholder’s vote by the Management Board or, in the case referred to in Clause 4, by the Chairman of the Supervisory Board. -----
8. A vote cast in writing shall be taken into consideration only if the letter is received by the Management Board or, in the case referred to in Clause 4, by the Chairman of the Supervisory Board, by the indicated deadline and the content of such letter meets the requirements set out in Clause 7. The determination on adoption of the resolution shall be made in accordance with § 15. A failure to submit a letter with a Shareholder’s vote

shall be without prejudice to the validity of the voting by correspondence by the remaining Shareholders.-----

9. Resolutions effectively adopted in accordance with the procedure described in this section shall be immediately communicated to the Shareholders by the Management Board. -----

§ 19

1. Resolutions of the Shareholders Meeting shall be required specifically for the following: --
- 1) examination and approval of the Management's report on the activities of the Company, the financial statements for the preceding financial year of the Company and acknowledgement of discharge of duties by the members of the corporate bodies of the Company, -----
 - 2) profit distribution or coverage of losses, -----
 - 3) amendment of the Deed of the Company, -----
 - 4) increase or decrease of the share capital, -----
 - 5) method and conditions of share redemption, -----
 - 6) merger of the Company and transformation of the Company, -----
 - 7) dissolution of the Company and division of the Company, -----
 - 8) issuance of bonds or other debt securities, including securities providing for an undertaking to sell such securities, acquisition or granting options in respect of securities, -----
 - 9) disposal and lease of the enterprise or an organised part thereof, or establishment of a limited property rights thereupon, -----
 - 10) any decisions concerning claims for repair of a damage caused in establishment of the Company or exercising management or supervision over the Company, -----
 - 11) consent to for the Company to establish another company, or to take up or acquire shares in other companies, -----
 - 12) consent to establish or accede to a partnership or a cooperative, -----
 - 13) consent to establish or accede to legal persons or organisational entities without legal personality, other than other those referred to in items 11) and 12), if the total fees, contributions and obligations of the Company related to the participation in all above-mentioned entities exceeds, or as a result of such accession would exceed yearly the amount of EUR 50,000 (say: fifty thousand Euro), -----
 - 14) consent to disposal by the Company of the shares acquired or taken up in other companies, where the relevant resolution of the Shareholders should set out the terms and procedure for such disposal, -----
 - 15) consent to transfer onto another person of all rights and obligations arising from participation in other legal persons or organizational entities without legal personality, including participation in partnerships, or withdrawal from such legal persons and organizational entities, -----
 - 16) creation and cancellation of capital and funds of the Company and their appropriation, except for the appropriation of the Company Social Benefits Fund, -----
 - 17) approval of long-term strategic business plans of the Company; as a minimum, a long-term strategic plan should contain the planned revenues and expenses for each year, as well as projections of the balance-sheet, profit and loss account and the cash flow and the investment plans for each year during the relevant period, -----

- 18) definition of the remuneration principles and determination of the remuneration for the members of the Supervisory Board, -----
- 19) definition of the remuneration principles and determination of the remuneration for the members of the Management Board,-----
- 20) setting the date for determination of the list of Shareholders eligible to the dividend for a given financial year (the dividend date),-----
- 21) consent to establishment of a pledge, mortgage, hypothecation or creation of other encumbrances on the assets of the Company for the market value of at least 1/5 (say: one-fifth) of the share capital, subject to item 9. In the event that the sum of the value of the assets of the Company encumbered with a pledge, mortgage, hypothecation or other encumbrances exceeds in a given financial year the one-time value of the share capital, creation of any further encumbrances shall require a consent of the Shareholders Meeting irrespective of the value of the assets to be encumbered,-----
- 22) consent to disposal or acquisition by the Company of a real estate, perpetual usufruct rights or an interest in a real estate for market value of at least EUR 100,000 (say: one-hundred Euro), -----
- 23) consent to extension of a loan by the Company, except for loans extended to employees of the Company from the Company Social Benefit Fund,-----
- 24) consent to granting a surety by the Company,-----
- 25) consent to performance of transaction as a result of which the Company would become a dominant entity with respect to other entities within the meaning of the Commercial Companies Code,-----
- 26) consent to dispose of a right or to incur an obligation to deliver a consideration for the value equal or greater than 1/5 (say: one-fifth) of the share capital, subject to items 27-29,-----
- 27) consent to incur a liability under a loan, credit facility or current account overdraft or financing agreement for the value that is equal or greater than EUR 1,000,000 (say: one million Euro), unless such liability is scheduled in the business plan of the Company referred to in item 30. In case when the sum of incurred liabilities in respect of loan, credit facility, current account overdraft or financing agreement exceeds, or as a result of incurring the liability would exceed EUR 10,000,000 (say: ten thousand million Euro), incurring of such liability/further liabilities in that respect shall require an approval by the Shareholders Meeting irrespective of their value, unless such liabilities were scheduled in the business plan of the Company referred to in item 30 as approved by the Shareholders Meeting,-----
- 28) consent to enter into a lease agreement recognised as financial or capital lease in accordance with GAAP for the value equal to or exceeding EUR 100,000 (say: one hundred thousand Euro), unless the entry into such agreement was scheduled in the business plan of the Company referred to in item 30 and approved by the Shareholders Meeting. In case when the aggregate value of the concluded lease agreements recognised as financial or capital leases in accordance with GAAP exceeds or, as a result of entering into an agreement would exceed EUR 1,000,000 (say: one million Euro), the entry into such an agreement/further lease agreements recognised as financial or capital lease in accordance with GAAP shall require an approval by the Shareholders Meeting irrespective of their value, unless the entry into

- such agreements was scheduled in the business plan of the Company referred to in item 30 as approved by the Shareholders Meeting, -----
- 29) consent to enter into a factoring agreement or receivables disposal (except for disposal without recourse) for the value equal to or exceeding EUR 100,000 (say: one hundred thousand Euro), unless the entry into such factoring agreement was scheduled in the business plan of the Company referred to in item 30 and approved by the Shareholders Meeting. In case when the aggregate value of the concluded factoring agreements exceeds or, as a result of entering into an agreement would exceed EUR 1,000,000 (say: one million Euro), the entry into such an agreement/further factoring agreements shall require an approval by the Shareholders Meeting irrespective of their value, unless the entry into such agreements was scheduled in the business plan of the Company referred to in item 30 as approved by the Shareholders Meeting,-----
 - 30) approval of the annual business plan of the Company containing, as a minimum, the planned revenues and expenses for a given year, as well as projections of the balance-sheet, profit and loss account and the cash flow and the investment plans for the year.-----
2. In addition to the matters set forth in Clause 1, resolutions of the Shareholders Meeting shall also be required for other matters specified in this Deed, the Commercial Companies Code and other legal regulations.-----
 3. The Shareholders Meeting may also, upon its own initiative, adopt a resolution on any other matter, and specifically on questions of fundamental importance for the operation of the Company.-----

B. Supervisory Board.

§ 20

1. The Supervisory Board shall be composed of 3 to 5 members. The members of the Supervisory Board shall be appointed and recalled by the Shareholders Meeting, subject to the provisions of items 1) and 2) below.-----
 - 1) As long as PGNiG SA remains the holder of at least 50% of the shares:-----
 - a) one member of the Supervisory Board shall be appointed and recalled by the Minister of State Treasury pursuant to a notice in writing;-----
 - b) one member of the Supervisory Board shall be appointed and recalled by the Minister of Economy pursuant to a notice in writing;-----
 - 2) As long as PGNiG SA remains the holder of at least one share – one member of the Supervisory Board shall be appointed and recalled by the Minister of State Treasury pursuant to a notice in writing;-----
1. The members of the Supervisory Board shall be appointed for a joint term of office for a duration of 3 (say: three) years.-----
2. The mandate of a Supervisory Board member appointed before the end of the term of office of the Supervisory Board expires along with the expiry of the mandates of the remaining members of the Supervisory Board.-----
3. Mandates of the Supervisory Board members expire at the latest on the date of the Shareholders Meeting approving the financial statements for the last full financial year of exercising their duties.-----

4. A member of the Supervisory Board shall not carry out any activity that would be in conflict with his or her duties or could raise any suspicion of bias or self-interest. -----

§ 21

1. The Supervisory Board shall exercise ongoing supervision over the activity of the Company. -----
2. The Supervisory Board performs its duties collectively. -----
3. Members of the Supervisory Board exercise their rights and obligations in person. Members of the Supervisory Board are entitled to remuneration. -----
4. The Supervisory Board shall adopt its By-Laws, which shall define its organisation and working procedures. -----
5. The By-Laws adopted by the Supervisory Board shall be subject to approval by the Shareholders Meeting. -----
6. The Supervisory Board shall not have the right to give binding instructions to the Management Board with regard to the management of the Company's business. -----
7. The Company shall cover the costs incurred in connection with the performance by the members of the Supervisory Board of their duties, including the cost of travel to the meetings of the Supervisory Board, cost of per diem, cost of accommodation and meals.

§ 22

1. The first meeting of a newly appointed Supervisory Board shall be convened by the Management Board of the Company on such a date so as to enable the meeting to be held within one month of its appointment. -----
2. On its first meeting, the Supervisory Board shall appoint the Chairman, the Vice Chairman and the Secretary from among its members. In the absence of the Chairman of the Supervisory Board, the powers of the Chairman shall be exercised by the Vice Chairman. -----

§ 23

1. The Supervisory Board shall meet as frequently as needed but at least once in every 3 (say: three) months. -----
2. The meetings of the Supervisory Board shall be convened by its Chairman. -----
3. The Management Board of the Company or a member of the Supervisory Board may request convocation of the Supervisory Board. The request should be submitted in writing and contain the proposed agenda or matters to be discussed at the meeting. -----
4. In the situation described in Clause 3, the meeting shall be convened within 14 days of the date of submission of the request, for a date that cannot fall later than within four weeks of the date of the request. -----
5. In the event that the meeting of the Supervisory Board is not convened on the date referred to in Clause 4, the requesting party may convene such meeting independently, specifying the date, venue and the proposed agenda, provided, however, that the meeting convened in accordance with this procedure can be held in the registered office of the Company or in Warsaw. -----
6. The notice of the date and venue of a Supervisory Board meeting together with the proposed agenda should be in writing and be sent to all members of the Supervisory Board no later than within 7 (seven) days before the starting date of the meeting, unless

- the members of the Supervisory Board agree to a shorter notice period. Enclosed to the above-mentioned notice should be materials and documents to be considered. -----
7. The meeting shall be chaired by the Chairman of the Supervisory Board. -----

§ 24

1. The Supervisory Board shall adopt resolutions at meetings, subject to § 25. -----
2. The Supervisory Board may hold its meetings and adopt legally binding resolutions, if all its members have been properly invited. -----
3. Resolutions of the Supervisory Board shall be adopted by absolute majority of votes in the presence of at least half of the members of the Supervisory Board, unless the act or other provisions of the Deed of the Company provide otherwise. Resolutions of the Supervisory Board shall be in writing and shall be signed by the Chairman and the Secretary of the Supervisory Board.-----
4. A member of the Management Board that is absent at the meeting may take part in adopting resolutions set out in the invitation by casting his or her vote in writing through another member of the Supervisory Board. The relevant letter should contain the content of the proposed resolution and the assertion that the member of the Supervisory Board votes “for” or “against” the resolution, or abstains.-----
5. A vote cast in writing shall be taken into consideration only when it fulfils the requirements set out in Clause 4 and was submitted at the latest upon beginning of the vote over the relevant resolution.-----
6. A vote cast by a member of the Supervisory Board in writing shall not concern any resolutions on personnel-related matters or matters that are subject to a secret vote.-----

§ 25

1. The Supervisory Board may adopt resolutions without holding a meeting, through voting by correspondence (procedure of adopting resolutions by correspondence) or with use of means of direct remote communication. -----
2. For voting in accordance with the procedures referred to in Clause 1, the provisions of § 24 Clause 4 second sentence and Clause 6 shall apply accordingly.-----
3. A resolution adopted in accordance with the procedures referred to in Clause 1 shall be valid if all members of the Supervisory Board have been informed about the content of the proposed resolution. -----
4. Detailed procedure for adopting resolutions by correspondence and with use of means of direct remote communication shall be defined in the By-Laws of the Supervisory Board. -----

§ 26

1. The Supervisory Board holding a meeting may adopt binding resolutions only on matters covered by the agenda presented in the invitation.-----
2. For matters that are not covered by the agenda, the Supervisory Board may adopt resolutions only when all members of the Supervisory Board are present at the meeting and nobody objects to the inclusion of a particular matter in the agenda and voting on the relevant resolution.-----

§ 27

1. The specific powers of the Supervisory Board shall include: -----

- 1) examination of the financial statements for the last financial year, -----
- 2) examination of the Management's report from the activities of the Company and proposals of the Management Board concerning profit distribution or coverage of losses,-----
- 3) submission of a written report for the Shareholders Meeting on the findings from the examination referred to in items 1 and 2, -----
- 4) expressing opinions on annual business plans of the Company, -----
- 5) approving the establishment of plants, branches or representative offices of the Company and their liquidation,-----
- 6) approving purchase or disposal of receivables for the value equal or greater than EUR 100,000 (say: one hundred Euro), subject to § 19 Clause 1 item 29,-----
- 7) approving purchase or disposal of fixed assets for the value equal or greater than EUR 100,000 (say: one hundred Euro), subject to § 19 Clause 1 items 11, 14, 22 and 26, -----
- 8) determining how the representatives of the Company are to vote at a Shareholders Meeting or a general assembly of a company, with respect to which the Company is directly the dominant entity in accordance with the Commercial Companies Code, on the following matters:-----
 - a) amendment of the deed or the articles of the company,-----
 - b) increase or decrease of the share capital of the company, -----
 - c) redemption of shares,-----
 - d) merger with another company or transformation of the company, -----
 - e) disposal or lease of the enterprise of the company, or an organised part thereof, or establishment of a limited property rights thereupon or disposal of real estate, -----
 - f) dissolution of the company, -----
 - g) division of the company, -----
 - h) taking out a loan or a credit facility by the company, if the total financial indebtedness of the company exceeds, or as a result of such transaction would exceed EUR 1,000,000 (say: one million Euro), -----
 - i) establishment of a pledge, mortgage, hypothecation or establishment of other encumbrances on the assets of the company, -----
 - j) granting sureties by the company or assuming obligations under guarantees or incurring other off-balance-sheet liabilities, -----
 - k) issuance of bonds or other debt securities, including securities convertible to shares or providing for an undertaking to sell such securities, acquisition or granting options in respect of shares or other securities,-----
 - l) approving performance of certain transactions, including establishment of another company by the company or purchase of shares in other companies, as a result of which the company concerned would become the dominant entity within the meaning of the Commercial Companies Code, with respect to other entities, -----
 - m) approving establishment of or accession to other legal persons or organisational entities without legal personality, including partnerships, -----
 - n) making additional capital payments to a company in which the company concerned holds shares,-----
- 9) determining how the representative of the Company is to vote at a general meeting of a cooperative or in case of voting in partnerships, with respect to which the Company

- is directly the dominant entity in accordance with the Commercial Companies Code, on adoption of the resolutions concerning the matters set forth in item 8 – to the extent that these provisions are applicable to the entity in question, they shall be applied accordingly, -----
- 10) adopting, in the form of a resolution, for internal purposes of the Company, the consolidated text of the Deed of the Company, based on the draft prepared by the Management Board of the Company in accordance with the procedure set forth in § 40,
 - 11) expressing opinions on all motions presented by the Management Board for consideration by the Shareholders Meeting, -----
 - 12) on request of the Management Board, authorising members of the Management Board to fill in positions in the authorities of companies where the Company holds shares and to receive remuneration in this regard, subject to § 28 Clause 2, -----
 - 13) selection of the auditor to carry out the audit of the annual financial statements, -----
 - 14) approving establishment of a pledge, mortgage, hypothecation or establishment of other encumbrances over the assets of the Company, which do not require the approval by the Shareholders Meeting in accordance with § 19 Clause 1 items 9 and 21,
 - 15) approving off-balance-sheet obligations in the amount equal to or greater than EUR 100,000 (say: one-hundred thousand Euro), which do not require the approval by the Shareholders Meeting in accordance with § 19. In the event that the aggregate value of the incurred off-balance-sheet liabilities exceeds EUR 1,000,000 (say: one million Euro), incurring the liability/further off-balance-sheet shall require an approval by the Supervisory Board, irrespective of their value, unless approval by the Shareholders Meeting is required in accordance with § 19;-----
 - 16) approving sale or purchase by the Company of real estate, perpetual usufruct rights or interests in real estate for the market value exceeding EUR 100,000 (say: one-hundred thousand Euro); -----
 - 17) approving establishment of and accession to a legal person or an organisational entity without legal personality, unless such acts require approval by the Shareholders Meeting in accordance with § 19 Clause 1 items 11 – 13. -----
2. In addition to the powers set forth in Clause 1, the powers of the Supervisory Board shall also cover other matters specified in this Deed and in the applicable legal regulations.-----
 3. The Supervisory Board may suspend, for important reasons, individual or all members of the Management Board in performance of their duties. -----
 4. If, as a result of suspension of one or more members in performance of their duties, the Management Board is not capable of carrying out its duties, the Supervisory Board shall immediately convene a Shareholders Meeting. -----

C. Mamangemt Board.

§ 28

1. The Management Board of the Company shall be composed of 1 to 5 members. The President and other members of the Management Board shall be appointed and recalled by a resolution of the Shareholders Meeting, upon its own initiative or upon a motion of the Supervisory Board. -----

2. A member of the Management Board shall not, without approval of the Company expressed in a resolution of the Shareholders Meeting, engage in competitive business or participate in a competitive company, in accordance with the principles set out in Article 211 § 1 of the Commercial Companies Code.-----
3. Members of the Management Board shall be appointed for a joint term of office for a duration of 5 (say: five) years. -----
4. A member of the Management Board may be recalled at any point of time. -----
5. Contracts with members of the Management Board, which shall be the basis for their engagement on the terms set out in the relevant resolution of the Shareholders Meeting, shall be entered into on behalf of the Company by a representative of the Supervisory Board designated from among its members, or by a proxy appointed by a resolution of the Shareholders Meeting. Other legal transactions between the Company and each of the members of the Management Board shall be performed in the same manner.-----

§ 29

1. The mandate of a member of the Management Board shall expire upon the Shareholders Meeting approving the financial statements for the last full financial year of exercising the duties of a member of the Management Board.-----
2. The mandate of a member of the Management Board shall also expire as a result of his or her death, resignation or recalling from the Management Board. -----
3. For resignation of a member of the Management Board, the provisions of the civil code concerning termination of a mandate by a mandatee shall apply accordingly. -----
4. The mandate of a member of the Management Board appointed before the end of the term of office shall expire upon expiry of the mandates of the other members of the Management Board.-----

§ 30

1. All matters concerning the business of the Company, which are not reserved under the act or this Deed for the Shareholders Meeting or the Supervisory Board, shall fall within the scope of responsibilities of the Management Board. -----
2. The By-Laws of the Management Board shall define in detail the working procedures of the Management Board and the division of responsibilities between the members of the Management Board.-----
3. The By-Laws shall be adopted by the Management Board and approved by the Supervisory Board.-----

§ 31

As long as Polskie Górnictwo Naftowe i Gazownictwo S.A. remains the dominant entity with respect to the Company – within the meaning of the Commercial Companies Code, the Management Board shall have the obligation to: -----

- 1) advise the PGNiG S.A. Shareholder of any intention to take any measures, which, according to the act on protection of competition and consumers of 15 December 2000, are subject to mandatory notification of the intended business concentration to the President of the Office of Competition and Consumer Protection,-----

- 2) present the PGNiG S.A. Shareholder with a written information on the level of financial indebtedness of the Company, as at the last day of each month, by 20th day of the following month,-----
- 3) present the PGNiG S.A. Shareholder, in the form of a statement of the Management Board, with information on occurrence of financial indebtedness in excess of EUR 50,000 (say: fifty thousand Euro) not later than within 15 days of its occurrence, specifying in particular:-----
 - a) type of liability,-----
 - b) amount of liability, -----
 - c) use of funds, -----
 - d) term for which the liability has been incurred.-----
- 4) present the PGNiG S.A. Shareholder with data and information required by it in accordance with performance of the information obligations related to its status of a public company.-----

§ 32

1. The Management Board shall work under the direction of the President.-----
2. The Management Board shall manage the business of the Company and represent it in all matters in and outside the court. -----
3. Resolutions of the Management Board shall be adopted by absolute majority of members present at a meeting of the Management Board. -----
4. Resolutions of the Management Board shall be required for all matters beyond the scope of ordinary management duties, specifically when they concern a value in excess of EUR 50,000, including taking out loans and credit facilities, issuance of guarantees and sureties, disposal and purchase of fixed assets, as well as enactment of the organisational regulations that define the regulation of the Company's business and any matters that are referred by the Management Board to the Shareholders Meeting and the Supervisory Board. -----

§ 33

If the Management Board is composed of more than one member, declarations on behalf of the Company, to be valid, shall require two members of the Management Board acting jointly or one member of the Management Board acting jointly with the procurator. -----

V. Organisation of the business and management of the Company.

§ 34

The organisation of the Company's business shall be defined in the organisational regulations to be adopted by the Management Board of the Company and approved by the Supervisory Board.-----

§ 35

1. The Company shall keep its accounting in accordance with the applicable legal regulations.-----

2. The financial year of the Company shall correspond to the calendar year. -----

§ 36

1. The Company shall establish the following capitals and funds: -----
 - 1) share capital,-----
 - 2) supplementary capital,-----
 - 3) reserve capital, -----
 - 4) company social benefit fund and other funds provided for in separate regulations. -----
2. The Company may create and dissolve capitals and dedicated funds at the beginning and during the financial year by a resolution of the Shareholders Meeting. The decision on use of such capitals or funds, except for the Company Social Benefit Fund, shall be taken by the Shareholders Meeting. -----
3. The minimum write-off for supplementary capital shall be equal to 5% of the yearly profit until its level reaches 25% of the share capital. In the event that the supplementary capital falls below 25% of the share capital, the write-offs shall be resumed. -----

§ 37

1. The profit of the Company may be appropriated in full or in part to:-----
 - 1) covering a loss,-----
 - 2) write-offs for supplementary capital, -----
 - 3) other capitals and funds or for other purposes set out in a resolution of the Shareholder Meeting,-----
 - 4) dividend for Shareholders. -----
2. In the resolution on profit distribution and dividend payment, the Shareholders Meeting shall set the date of its payment. The payments should start not later than within 2 months of the date of the resolution on profit distribution. -----

§ 38

1. The Management Board shall have the right to pay an advance to the shareholders against the expected dividend at the end of the financial year, if the Company has sufficient funds for such payment. -----
2. The decision on the amounts appropriated for the advance payment shall be taken by the Management Board, within the limits provided for by the Commercial Companies Code. -
3. The provisions of the Commercial Companies Code and the Deed concerning dividends shall apply accordingly to the advance against the dividend. -----
4. Payment of the advance shall require an approval by the Supervisory Board. -----

VI. FINAL PROVISIONS

§ 39

Immediately upon adoption of amendments to the Deed of the Company by the Shareholders Meeting, unless the consolidated text of the Deed was adopted in the resolution of the Shareholders, the Management Board of the Company shall be obligated

to prepare a draft of the consolidated text of the Agreement, and upon its approval by the Supervisory Board, send such consolidated text to the Shareholders.-----

§ 40

Whenever the deed refers to an amount expressed in Euro, it shall be deemed the equivalent of such amount expressed in Polish currency, determined based on the average exchange rate of the national currency to Euro, as announced by the National Bank of Poland on the date preceding the date of the resolution by the relevant body of the Company authorised to express consent to a transaction in respect of which such equivalent is being determined.-----

§ 41

For matters that are not regulated by this Deed, the Commercial Companies Code and other applicable legal regulations shall apply.-----

Resolution No 3 of the Extraordinary General Shareholders Meeting of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna of 29 March 2007

on: statement of the Management Board of PGNIG S.A. on observance of the corporate governance principles contained in the document "Best Practices in Public Companies in 2005"

Par. 1

The General Shareholders Meeting hereby resolves to approve the statement of PGNIG S.A.'s Management Board on observance of the corporate governance principles contained in the document "Best Practices in Public Companies in 2005", in the form unchanged relative to the statement submitted in 2006.

Par. 2

This Resolution shall take effect as of its adoption date.

**DECLARATION OF THE MANAGEMENT BOARD OF
POLSKIE GÓRNICTWO NAFTOWE I GAZOWNICTWO S.A.
REGARDING
BEST PRACTICES IN PUBLIC COMPANIES in 2005**

RULE		DECLARATION	COMMENTS
GENERAL RULES			
I	<p style="text-align: center;">Objective of the Company</p> <p>The main objective of a company's authorities is to further the company's interests, i.e. to increase the value of the assets entrusted to them by the shareholders, taking into consideration the rights and interests of entities other than the shareholders that are involved in the functioning of the company, especially the company's creditors and employees.</p>	YES	
II	<p style="text-align: center;">Majority Rule and Protection of the Minority</p> <p>A joint-stock company is a capital venture, therefore it must respect the principle of capital majority rule and the primacy of majority over minority. A shareholder who contributes more capital also bears a greater economic risk. It is, therefore, justified that his interests be considered in proportion to the capital he contributes. The minority must have a guarantee that their rights will be properly protected within the limits set by the law and commercial integrity.</p> <p>When exercising his rights, a majority shareholder should take into account the interests of the minority.</p>	YES	
III	<p style="text-align: center;">Honest Intentions and No-Abuse of Rights</p> <p>The exercising of rights and reliance on legal institutions should be based on honest intentions (good faith) and cannot go beyond the purpose and economic reasons for which these institutions are established. No actions should be taken which, by exceeding the limits set, constitute an abuse of the law. The minority should be protected against any abuse of ownership rights by the majority and</p>	YES	

	the interests of the majority should be protected against any abuse by the minority of its rights, thus ensuring the best possible protection of the equitable interests of the shareholders and other market participants.		
IV	<p style="text-align: center;">Court Control</p> <p>The company's authorities and persons chairing the general meeting cannot decide on issues which should be resolved by a court judgment. This does not apply to activities which the company's authorities and persons chairing general meetings are authorised or obliged to undertake by force of law.</p>	YES	
V	<p style="text-align: center;">Independent Opinions Ordered by the Company</p> <p>When choosing an entity to provide expert services, particularly an auditor, financial and tax advisors or legal advisors, the company should examine whether there are any circumstances that would limit the entity's independence when performing the tasks entrusted.</p>	YES	
BEST PRACTICES OF GENERAL MEETINGS			
1.	A general meeting should take place in a location and at a time that allows the participation of as many shareholders as possible.	YES	
2.	A request made by parties entitled to do so for a general meeting to be convened and for certain issues to be put on its agenda should be justified. Draft resolutions proposed for adoption by the general meeting and other key documents should be presented to the shareholders together with justification and a supervisory board opinion before the general meeting to allow them time to review and evaluate the same.	NO	The Company does deem it material for requests for certain issues to be put on the agenda to be justified in detail. The Company does not, however, guarantee that all "entitled entities" will always justify their requests to convene the General Shareholders' Meeting or to put certain matters on the agenda. The current wording of clause 57 of the Company's Statute provides for the Supervisory Board's obligation to prepare an opinion on matters submitted for the General Shareholders' Meeting's examination (except for motions concerning the Supervisory Board), which matters are listed in clause 56 of the Statute.
3.	A general meeting convened on the shareholders' request should be held on the date given in the request and, if this date cannot be kept, on the nearest date that would allow the general meeting to settle the issues on its agenda.	YES	
4.	A general meeting whose agenda includes certain issues at the request of authorized entities or which has been convened on such a request can only be	YES	

	cancelled with the consent of the requesting parties. In all other instances, a general meeting can be cancelled if its holding is hindered (force majeure) or is obviously groundless. A meeting is called off in the same way as it is convened, limiting negative consequences for the company and its shareholders as far as possible and no later than three weeks before the original meeting date. A change in the date of a general meeting is made in the same way as a cancellation, even if the proposed agenda does not change.		
5.	Before a shareholder's representative can participate in a general meeting, his right to act on the shareholder's behalf should be duly documented. It should be presumed that a written document confirming the right to represent a shareholder at a general meeting conforms with the law and does not require any additional confirmations or acknowledgement unless the company's management board or the chairman of the general meeting has doubts about its authenticity or validity prima facie (when drawing up the list of attendance).	YES	
6.	The general meeting should have regular by-laws setting out in detail the principles on which meetings are conducted and resolutions adopted. The by-laws should, in particular, contain provisions on elections, including elections to the supervisory board by voting in separate groups. The by-laws should not be subject to frequent change; it is advisable for any changes to enter into force as of the following general meeting.	YES	
7.	The person opening the general meeting should immediately organise the election of the meeting chairman and should refrain from making any substantial or formal decisions.	YES	
8.	The chairman of the general meeting ensures that the meeting is run efficiently and that the rights and interests of all the shareholders are observed. The chairman should, in particular, counteract any abuse of rights by meeting participants and should guarantee that the rights of minority shareholders are respected. The chairman should not, without good reason, resign from his function or delay signing the meeting minutes.	YES	
9.	A general meeting should be attended by the members of both the supervisory board and the management board. The auditor should also be present at an annual general meeting and an extraordinary general meeting if the company's financial matters are to be discussed. The absence of a supervisory or	YES	

	management board member from the general meeting requires an explanation, which should be given at the meeting.		
10.	Supervisory and management board members and the company's auditor should, within their powers and to the extent needed to settle issues discussed at the general meeting, provide meeting participants with explanations and information about the company.	YES	
11.	All answers provided by the management board to questions posed by the general meeting should take into account the fact that a public company carries out its reporting obligations in the way stipulated in the Law on the Public Trading in Securities; certain information cannot be provided in any other way.	YES	
12.	Short breaks in the session which do not constitute an adjournment and are ordered by the chairman in justified cases cannot be aimed at hindering the exercising by the shareholders of their rights.	YES	
13.	Voting on administrative issues may only concern issues related to the running of the meeting. Resolutions which may have an impact on the exercising by the shareholders of their rights cannot be voted on in this way.	YES	
14.	A resolution not to consider an issue on the agenda may be adopted only if it is supported by sound reasons. Any motion in this respect should be accompanied by a detailed justification. A decision to remove an item from the agenda or not to consider an issue put on the agenda at a shareholder's request requires a general meeting resolution, once all the shareholders present who put the issue on the agenda have given their consent, supported by 75% of the votes present at the meeting.	YES	
15.	Any party objecting to a resolution must be given the opportunity to put forward concise reasons for its objections.	YES	
16.	As the Code of Commercial Companies does not provide for court control in the event of a resolution not being adopted by the general meeting, the management board or the meeting chairman should form resolutions in such a way that anyone who does not agree with the merits of a decision being the subject of the resolution has the possibility of challenging the same, provided that he is entitled to do so.	YES	

17.	Written statements made by a participant at a general meeting are recorded in the minutes at the participant's request.	YES	
BEST PRACTICES OF SUPERVISORY BOARDS			
18.	The supervisory board submits a concise evaluation of the company's standing to the general meeting every year. The evaluation should be made available to all shareholders early enough to allow them to become acquainted with the contents before the annual general meeting.	YES	
19.	A member of the supervisory board should have the relevant education, the appropriate professional and practical experience, be of high moral standing and be able to devote the time required to perform his supervisory board function properly. Supervisory board candidature should be announced and supported by reasons sufficiently detailed to enable an informed choice to be made	YES	
20.	<p>1 (a) At least half the members of the supervisory board should be independent members, subject to point (d) below. Independent members of the supervisory board should not have relations with the company and its shareholders or employees which could significantly affect the independent member's ability to make impartial decisions.</p> <p>(b) Detailed independence criteria should be laid down in the company's statutes.</p> <p>(c) Without the consent of the majority of independent supervisory board members, no resolutions should be adopted on the following issues:</p> <ul style="list-style-type: none"> - performances of any kind by the company and any entities associated with the company in favour of management board members; - consent to the execution by the company or a subsidiary of a key agreement with an entity associated with the company, a member of the supervisory board or management board, or with their associated entities; and - appointment of an auditor to audit the company's financial statements. <p>(d) In companies where one shareholder holds a block of shares carrying over 50% of all voting rights, the supervisory board should consist of at least two independent members, including an independent chairman of the audit</p>	NO	<p>The Company does agree that best practices include the participation of independent members in the supervisory board. Consequently, Clause 36 of the Company's Statute provides that:</p> <p>1. <i>One of the members of the Supervisory Board appointed by the General Shareholders' Meeting shall fulfil all of the following requirements:</i></p> <ul style="list-style-type: none"> 1) <i>having been elected in accordance with the procedure referred to in section 3;</i> 2) <i>not being the Company's Related Entity or the Company's subsidiary;</i> 3) <i>not being a Related Entity of the dominant entity or another subsidiary of the dominant entity, or</i> 4) <i>not being a person which is in any sort of relationship with the Company or any of the entities listed in subsections 2 and 3 that could materially influence the ability of such person to make impartial decisions in their capacity of a Supervisory Board member.</i> <p>2. <i>For the avoidance of doubt, the relationships referred to in section 1 subsections 2-4 shall not mean the membership in the Company's</i></p>

	committee, should such a committee be set up.		<p><i>Supervisory Board.</i></p> <p>3. <i>The selection of the Supervisory Board member fulfilling the conditions described in section 1 shall have the form of a separate vote. The right to put forward candidates for the Supervisory Board member fulfilling the conditions described in section 1 shall be vested in the shareholders present at the General Shareholders' Meeting whose agenda includes the appointment of the Supervisory Board referred to in section 1. Such candidates shall be put forward by submitting a written statement to the Chairman of the General Shareholders' Meeting, accompanied by a written representation of the given candidate consenting to being a candidate and confirming the fulfilment the conditions specified in section 1 subsections 2-4. If no candidates are submitted by the shareholders in the manner provided for in the preceding sentence, the Supervisory Board shall put forward candidates fulfilling the conditions described in section 1 subsections 2-4.</i></p> <p>Furthermore, pursuant to Clause 33 section 5 in conjunction with Clause 33 section 1 subsection 5 of the Statute, the consent of the independent member of the Supervisory Board is required to select and appoint a statutory auditor to audit the Company's financial statements.</p> <p>Due to the Company's specific nature resulting from the fact that pursuant to Art. 12 of the Commercialization and Privatization Act dated 30 August 1996, employee representatives are members of the Supervisory Board, the Company may not ensure wider participation of independent members in the Supervisory Board. Increasing the number of independent members in the Supervisory Board in excess of that provided for in the Statute would cause the State Treasury (in its capacity as the majority shareholder) to lose the right to appoint a majority of members of the Supervisory Board.</p>
21.	A supervisory board member should, above all, keep the company's interests in mind.	YES	
22.	Supervisory board members should take the relevant action to receive from the management board regular and complete information on any and all significant issues concerning the company's operations and on any risks related to the business and ways of managing such risks.	YES	

23.	A supervisory board member should inform the other members of the board of any conflict of interest that arises, and should refrain from participating in discussions and from voting on any resolution on the issue in respect of which the conflict of interest has arisen.	YES	
24.	Information on a supervisory board member's personal, actual and organizational connections with a given shareholder, particularly with the majority shareholder, should be made publicly available. The company should have a procedure in place for obtaining such information from supervisory board members and for making it publicly available.	YES	
25.	Supervisory board meetings should be accessible and open to management board members, save for issues which directly concern the management board or its members, especially the removal, liability and remuneration (of management board members).	YES	
26.	A supervisory board member should make it possible for the management board to present publicly and in an appropriate manner information on the transfer or acquisition of shares in the company or in its dominant company or subsidiary and of transactions with such companies, provided that such information is relevant to his financial standing.	YES	
27.	Supervisory board members' remuneration should be set on the basis of a set of transparent procedures and rules. The remuneration should be fair but should not constitute a significant cost item in the company's business or have a material impact on its financial results. It should also be in reasonable relation to the remuneration of members of the management board. The total amount of all supervisory board members' remuneration, as well as the remuneration of individual members, with a breakdown of its various elements should be disclosed in the annual report together with information on the procedures and rules applied to determine it.	YES	The amount of remuneration is governed by the provisions of the Act on Capping the Compensation Paid to Individuals in Charge of Certain Legal Entities dated 3 March 2000 (Dz.U. No. 26, item 306, as amended).
28.	The supervisory board should operate in accordance with its by-laws, which should be publicly available. The by-laws should stipulate that at least two committees should be set up: - audit, and	NO	The Company does agree with the necessity to guarantee the influence of the independent member on the supervision of the Company's activity, as well as to ensure that Supervisory Board members have appropriate educational background and experience. However, in view of the fact that pursuant to the Statute, the Supervisory Board only has one independent member, the Company

	<p>- remuneration.</p> <p>The audit committee should consist of at least two independent members and at least one person possessing the relevant qualifications and experience in accounting and finance. The committee's tasks should be specified in the board by-laws. The committees should present reports on their activities to the supervisory board every year. The company should then make these reports available to its shareholders.</p>		has decided not to adopt this principle in its current wording. furthermore, please note that the Company does not have independent audit and remuneration committees. The Company will consider appointing such committees in the future.
29.	The agenda of a supervisory board meeting should not be amended or supplemented during the meeting to which it relates. This requirement does not apply if all the supervisory board members are present and agree to the amendment or supplementation, and if certain actions have to be taken by the supervisory board to protect the company against damage and in the case of a resolution assessing whether there is a conflict of interests between a supervisory board member and the company.	YES	
30.	A supervisory board member delegated by a group of shareholders to permanently exercise supervision should submit detailed reports on the performance of his task to the supervisory board.	YES	
31.	A supervisory board member should not resign from his function during his term of office if this would make it impossible for the board to function, particularly if it could hinder the timely adoption of an important resolution.	YES	
BEST PRACTICES OF MANAGEMENT BOARDS			
32.	With the company's interests in mind, the management board sets out the strategy and the main objects of the company's operations and submits them to the supervisory board. The management board is responsible for implementation and performance. The management board sees that the company's management system is transparent and effective and that its business is conducted in accordance with legal regulations and best practice.	YES	Pursuant to Clause 23 section 1 in conjunction with Clause 22 section 2 subsection 7 of the Statute, the Management Board submits the following for the Supervisory Board's approval: annual business plans (financial investment plans), investment plans, long-term strategic plans and investment plans connected with the development of the transmission system
33.	When making decisions on corporate issues, management board members should act within the limits of justified business risk, i.e. after considering all information, analyses and opinions, which, in the reasonable opinion of the management board, should be taken into account in a given case in view of the company's interest. When determining the company's interests, the long-term	YES	

	interests of the company's shareholders, creditors and employees should be kept in mind, as well as those of other entities and persons cooperating with the company, also the interests of the local community.		
34.	In transactions with shareholders and other persons whose interests affect those of the company, the management board should act with the utmost care to ensure that the transactions are carried out at arm's length.	YES	
35.	A management board member should always be loyal to the company and avoid actions which could lead to the advancement of his own material interests only. If a management board member receives information about the opportunity to make an investment or another advantageous transaction relating to the company's objects, he should put this information immediately before the management board to be reviewed in terms of the company taking advantage of it. Such information may only be used by a management board member or passed on to a third party with the consent of the management board and only if it does not infringe on the company's interests.	YES	
36.	A management board member should treat his shares in the company and its dominant companies and subsidiaries as a long-term investment.	YES	
37.	Management board members should inform the supervisory board whenever a conflict of interests arises, or if there is a risk of a conflict of interests arising in connection with the function performed.	YES	
38.	The remuneration of management board members should be set on the basis of transparent procedures and principles, taking into account its incentive nature and ensuring effective and smooth management of the company. The remuneration should correspond to the size of the company's business enterprise, should be in reasonable relation to business results, and be related to the scope of liability in a given function, taking into account the level of remuneration of members of management boards in similar companies on a similar market.	YES	The amount of remuneration is governed by the provisions of the Act on Capping the Compensation Paid to Individuals in Charge of Certain Legal Entities dated 3 March 2000 (Dz.U. No. 26, item 306, as amended).
39.	The total amount of all management board members' remuneration, as well as the remuneration of individual members, with a breakdown of its various elements should be disclosed in the annual report together with information on the procedures and rules applied to determine it. If the amount of the	YES	

	remuneration of individual members of the management board significantly differs, it is recommended that a relevant explanation be published.		
40.	The management board should lay down in the by-laws principles and procedures for operating and allocating powers. These principles should be clear and generally available.	YES	The detailed division of powers between the members of the Management Board has been determined under a resolution of the Management Board
BEST PRACTICES IN RELATIONS WITH THIRD PARTIES AND THIRD PARTY INSTITUTIONS			
41.	When selecting an auditor, the company should ensure that he will perform the tasks entrusted to him impartially.	YES	Pursuant to Clause 33 section 5 in conjunction with Clause 33 section 1 subsection 5 of the Statute, the consent of the independent member of the Supervisory Board must be obtained for the appointment of the statutory auditor.
42.	In order to ensure an impartial opinion, the company should change its auditor once every five years at the least. The change of auditor should also be understood as a change in the individual carrying out the audit. Additionally, over a long period of time the company should not use the services of the same auditing entity.	YES	
43.	The auditor should be selected by the supervisory board on the recommendation of the audit committee, or by the general meeting on the recommendation of the supervisory board containing the audit committee recommendation. If an auditor other than the one recommended by the audit committee is chosen by either the board or the general meeting, detailed reasons should be given. Information on the selection of an auditing entity together with the relevant justification should be disclosed in the annual report.	NO	<p>In view of the fact that the Company has not embraced principle 28 concerning the internal by-laws of the Supervisory Board, the Company has decided not to adopt principle 43. The reasons are presented in the comments relating to Principle 28.</p> <p>The statutory auditor is selected by the Supervisory Board. Pursuant to Clause 33 section 5 in conjunction with Clause 33 section 1 subsection 5 of the Statute, the consent of the independent member of the Supervisory Board must be obtained for the appointment of the statutory auditor.</p>
44.	The current auditor or the auditor auditing the annual accounts of the company or its subsidiaries in the period under examination cannot act as a special purpose auditor for the same company.	YES	
45.	A company should acquire its own shares in such a way that no group of shareholders is privileged.	YES	

46.	The company's statutes, its basic internal regulations, information and documents related to general meetings, and its financial statements should be made available in the company's registered office and on its website.	YES	
47.	A company should have appropriate media relations procedures and regulations and an information policy ensuring coherent and reliable information about the company. The company should, in compliance with legal regulations and to safeguard its interests, make information on its current operations and business standing available to media representatives and allow them to attend general meetings.	YES	
48.	In its annual report, a company should include a statement to the effect that corporate governance standards are applied. Any departure from these standards should also be publicly explained.	YES	