



Polish Oil and Gas Company (PGNiG SA)  
Head Office

**Draft Resolutions of the PGNiG Annual General Shareholders  
Meeting convened for April 29th 2010**

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG", "the Company") hereby publishes the draft resolutions for the Annual General Shareholders Meeting of PGNiG convened for April 29th 2010.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** election of the Chairman of the Annual General Shareholders Meeting of PGNiG SA.

§ 1

Acting pursuant to Art. 409.1 of the Commercial Companies Code, Par. 50 of the Company's Articles of Association and Par. 7.3 of the Constituion of General Meeting the General Shareholders Meeting of Polskie Górnictwo Naftowe i Gazownictwo SA hereby appointed Mr/Mrs [■] as the Chairman of the Annual General Meeting.

§ 2

This Resolution shall take effect as of its adoption date.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** Adoption of the agenda of the Annual General Shareholders Meeting.

**§ 1**

Annual General Shareholders Meeting of PGNiG SA decides to adopt the following agenda of the Annual General Shareholders Meeting:

1. Opening of the Meeting,
2. Election of the Chairman of the Meeting,
3. Confirmation that the Meeting has been duly convened and has the capacity to adopt resolutions,
4. Adoption of the agenda of the Meeting,
5. Preparation of the attendance list,
6. Adoption of a resolution concerning consideration and approval of the 2009 financial statements of PGNiG SA prepared in accordance with the International Financial Reporting Standards and of the Directors' Report on the Company's operations in 2009,
7. Adoption of a resolution concerning consideration and approval of the 2009 consolidated financial statements of the PGNiG Group prepared in accordance with the International Financial Reporting Standards and of the Directors' Report on the operations of the PGNiG Group in 2009,
8. Adoption of a resolution acknowledging the discharge of duties by the members of the Management Board of PGNiG in 2009,
9. Adoption of a resolution acknowledging the discharge of duties by the members of the Supervisory Board of PGNiG in 2009,
10. Adoption of a resolution on the distribution of profit for the financial year 2009, allocation of retained earnings, and on setting the dividend record date and the dividend payment date,
11. Adoption of a resolution on the determination of assets to be provided as non-cash dividend and definition of the method of their valuation,
12. Adoption of the resolution on the use of capital reserves designated as "Central Restructuring Fund" for one-off payments (redundancy payments) to 23 former employees of PNiG Kraków Sp. z o.o. of Kraków,
13. Miscellaneous,
14. Closing of the Annual General Shareholders Meeting.

§ 2

This Resolution shall take effect as of its adoption date.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** examination and approval of PGNiG SA's financial statements for 2009 prepared in accordance with the International Financial Reporting Standards and of the Directors' Report on the Company's operations in 2009.

**§ 1**

Acting pursuant to Par. 56.1.1 of the Company's Articles of Association, the General Shareholders Meeting of Polskie Górnictwo Naftowe i Gazownictwo SA hereby resolves to approve:

1. PGNiG SA's financial statements prepared in accordance with the International Financial Reporting Standards for the financial year January 1st – December 31st 2009, comprising:
  - Income statement for the period January 1st – December 31st 2009, showing a net profit of PLN 665,874,189.24,
  - Comprehensive statement for the period January 1st – December 31st 2009, showing comprehensive income of PLN 689,330,816.43,
  - Balance sheet statement as at December 31st 2009, showing a balance-sheet total of PLN 24,183,549,286.46,
  - Cash-flow statement for the period January 1st – December 31st 2009, showing a net decrease in cash of PLN 382,930,313.09,
  - Statement of changes in equity for the period January 1st – December 31st 2009, showing a increase in equity of PLN 158,330,816.43,
  - Supplementary information.
2. Directors' Report on the Company's operations in 2009.

**§ 2**

The financial statements and Directors' report referred to above are attached to this Resolution as appendices.

**§ 3**

This Resolution shall take effect as of its adoption date.

**Grounds:**

Acting pursuant to Art. 399.1 of the Commercial Companies Code and Par. 22.2.10. of the Articles of Association of PGNiG SA in connection with Par. 56.1.1. of the Articles of Association of PGNiG SA, the Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA of Warsaw moves for the examination and approval – by the General Shareholders Meeting – of the Company's financial statements for 2009 prepared in accordance with the International Financial Reporting Standards and of the Directors' Report on the Company's operations in 2009.

The financial statements for 2009 prepared in accordance with the International Financial Reporting Standards and the Directors' Report on the Company's operations in 2009 were approved by the Company's Management Board by way of Resolution No. [■] dated [■] 2010.

On [■] 2010, the Supervisory Board adopted Resolution No. [■], whereby it favourably assessed the financial statements of PGNiG SA and Directors' Report submitted by the Management Board and confirmed that they are consistent with the Company's accounting books and the actual state of affairs.

**Attachments:**

1. PGNiG SA Financial Statement for the year ended December 31st 2009,
2. PGNiG SA Directors' Report on the PGNiG's operations in 2009.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** adoption of a resolution concerning consideration and approval of the 2009 consolidated financial statements of the PGNiG Group prepared in accordance with the International Financial Reporting Standards and of the Directors' Report on the operations of the PGNiG Group in 2009.

**§ 1**

Acting pursuant to Par. 56.1.2 of the Company's Articles of Association, the General Shareholders Meeting of Polskie Górnictwo Naftowe i Gazownictwo SA hereby resolves to approve:

2. The PGNiG Group's consolidated financial statements prepared in accordance with the International Financial Reporting Standards for the financial year January 1st – December 31st 2009, comprising:
  - Income statement for the period January 1st – December 31st 2009, showing a net profit of PLN 1,203,606 thousand,
  - Comprehensive statement for the period January 1st – December 31st 2009, showing comprehensive income of PLN 1,217,327 thousand,
  - Balance sheet statement as at December 31st 2009, showing a balance-sheet total of PLN 31,082,170 thousand,
  - Cash-flow statement for the period January 1st – December 31st 2009, showing a net decrease in cash of PLN 224,547 thousand,
  - Statement of changes in equity for the period January 1st – December 31st 2009, showing a increase in equity of PLN 686,123 thousand,
  - Supplementary information.
3. Directors' Report on the Company's operations in 2009.

**§ 2**

The financial statements and Directors' report referred to above are attached to this Resolution as appendices.

**§ 3**

This Resolution shall take effect as of its adoption date.

**Grounds:**

Acting pursuant to Art. 399.1 of the Commercial Companies Code and Par. 22.2.10. of the Articles of Association of PGNiG SA in connection with Par. 56.2.2. of the Articles of Association of PGNiG SA, the Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA of Warsaw moves for the examination and approval – by the General Shareholders Meeting – of the PGNiG Group's consolidated financial statements for 2009 prepared in accordance with the International Financial Reporting Standards and of the Directors' Report on the Group's operations in 2009.

The consolidated financial statements for 2009 prepared in accordance with the International Financial Reporting Standards and the Directors' Report on the Group's operations in 2009 were approved by the Company's Management Board by way of Resolution No. [■] dated [■] 2010.

On [■] 2010, the Supervisory Board adopted Resolution No. [■], whereby it favorably assessed the financial statements of the Group and Directors' Report submitted by the Management Board and confirmed that they are consistent with the Group's accounting books and the actual state of affairs.

**Attachments:**

1. PGNiG Group Financial Statement for the year ended December 31st 2009,
2. PGNiG SA Directors' Report on the PGNiG Group's operations in 2009.



**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Michał Szubski, President of the Management Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Michał Szubski, President of the Management Board of PGNiG SA from January 1st to December 31st 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Mirosław Dobrut, Member of the Management Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Mirosław Dobrut, Vice-President of the Management Board of PGNiG SA from January 1st to December 31st 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Radosław Dudziński, Member of the Management Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Radosław Dudziński, Vice-President of the Management Board of PGNiG SA from January 1st to December 31st 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Sławomir Hinc, Member of the Management Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Sławomir Hinc, Vice-President of the Management Board of PGNiG SA from January 1st to December 31st 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Mirosław Szkałuba, Member of the Management Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Mirosław Szkałuba, Vice-President of the Management Board of PGNiG SA from January 1st to December 31st 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Waldemar Wójcik, Member of the Management Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Waldemar Wójcik, Vice-President of the Management Board of PGNiG SA from January 28th to December 31st 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Stanisław Rychlicki, Member of the Supervisory Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Stanisław Rychlicki, Chairman of the Supervisory Board of PGNiG SA from January 1st to December 31st 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Marcin Moryń, Member of the Supervisory Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Marcin Moryń, Deputy Chairman of the Supervisory Board of PGNiG SA from January 1st to December 31st 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.



**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Mieczysław Kawecki, Member of the Supervisory Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Mieczysław Kawecki, Secretary of the Supervisory Board of PGNiG SA from January 1st to December 31st 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Grzegorz Banaszek, Member of the Supervisory Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Grzegorz Banaszek, Member of the Supervisory Board of PGNiG SA from January 1st to December 31st 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Ms Agnieszka Chmielarz, Member of the Supervisory Board of PGNiG SA, in respect of her duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Ms Agnieszka Chmielarz, Member of the Supervisory Board of PGNiG SA from January 1st to December 31st 2009, in respect of her duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Maciej Kaliski, Member of the Supervisory Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Maciej Kaliski, Member of the Supervisory Board of PGNiG SA from January 1st to June 16th 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Marek Karabula, Member of the Supervisory Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Marek Karabula, Member of the Supervisory Board of PGNiG SA from January 1st to December 31st 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Mr Mieczysław Puławski, Member of the Supervisory Board of PGNiG SA, in respect of his duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Mr Mieczysław Puławski, Member of the Supervisory Board of PGNiG SA from January 1st to December 31st 2009, in respect of his duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The grounds for all the draft resolutions concerning approval of the performance of duties by the Members of the Management Board of PGNiG SA and Members of the Supervisory Board of PGNiG SA in the financial year 2009 are presented in the last draft resolution concerning that matter.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** granting discharge to Ms Jolanta Siergiej, Member of the Supervisory Board of PGNiG SA, in respect of her duties in the financial year 2009.

Par. 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code, and Par. 56.1.2 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby grants discharge to Ms Jolanta Siergiej, Member of the Supervisory Board of PGNiG SA from January 1st to December 31st 2009, in respect of her duties in the financial year 2009.

Par. 2

This Resolution shall take effect as of its adoption date.

**Grounds:**

The Management Board of PGNiG SA, at its meeting held on March 23rd 2010, adopted Resolutions Nos. 118/2010 to 123/2010 to request the General Shareholders Meeting of PGNiG SA to approve the discharge of duties by the Members of the Management Board of PGNiG SA in the financial year 2009.

The Supervisory Board of PGNiG SA, at its meeting held on [■]2010, having reviewed the Management Board's request, adopted Resolutions Nos. [■] to [■] expressing its positive opinion on the Management Board's request concerning the approval of the discharge of duties by the individual Members of the Management Board of PGNiG SA. Moreover, at the meeting held on March 23rd 2010, the Management Board of PGNiG SA adopted Resolution Nos. 124/2010 to 132/2010 to request the General Shareholders Meeting of PGNiG SA to approve the performance of duties by Members of the Supervisory Board of PGNiG SA in the financial year ended December 31st 2009.

On [■] 2010, the Supervisory Board of PGNiG SA adopted Resolution No. [■] concerning the Supervisory Board's Report on the Results of Assessment of PGNiG SA's Financial Statements for 2009 and the Directors' Report on the Company's Operations in 2009, and Resolution No. [■] concerning the Supervisory Board's Report on the Results of Assessment of the PGNiG Group's Consolidated Financial

Statements for 2009 and the Directors' Report on the PGNiG Group's Operations in 2009.

On [■] 2010, the Supervisory Board of PGNiG SA adopted Resolution No. [■] approving the report of the Supervisory Board of PGNiG SA as a governing body of the Company in 2009, and Resolution No. [■] approving the assessment of the Company's standing in 2009.

Based on the reports submitted by the Supervisory Board, it will be possible to assess the Supervisory Board's activity and the work of its members. On the basis of such assessment, the General Shareholders Meeting of PGNiG SA will issue its decision as to approval of performance of duties by the Members of the Supervisory Board in the financial year 2009.



**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** distribution of profit for the financial year 2009, allocation of retained earnings, and on setting the dividend record date and the dividend payment date,

**§ 1**

Acting on the basis of Art. 395.2.2 of the Commercial Companies Code and Par. 56.1.3 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby resolves to:

1. distribute the net profit for the financial year 2009, of PLN 665,874,189.24, in the following manner:
  - a. PLN 120,334,427.63 will be allocated to the Company's statutory reserve funds,
  - b. PLN 472,000,000 will be allocated to payment of dividend (PLN 0.08 per share), including:  
PLN 339,999,999.92 to payment of non-cash dividend to the State Treasury; the assets to be transferred as dividend and the valuation method will be defined in a separate resolution of the General Shareholders Meeting adopted pursuant to Par. 63.7 of the Company's Articles of Association, subject to additional cash payment if the value of the assets does not reach PLN 339,999,999.92;
  - c. PLN 8,925,000 will increase the Company's Social Benefits Fund;
  - d. PLN 54,614,761.61 will be allocated to bonuses for employees;
  - e. PLN 10,000,000.00 will increase the capital reserve designated as "Central Restructuring Fund".
2. allocate retained earnings of PLN 53,569,313.34 to the Company's statutory reserve funds.

**§ 2**

Acting on the basis of Art. 348.3 of the Commercial Companies Code and Par. 63.4 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby resolves to:

1. set the dividend record date as July 27th 2010,
2. set the dividend payment date as October 4th 2010.

### § 3

The resolution shall take effect as of its adoption date.

#### **Grounds:**

It is proposed that the net profit, of PLN 665,874,189.24, be used as follows:

1. to increase the Company's statutory reserve funds by PLN 120,334,427.63 (18.07%),
2. to pay dividend of PLN 472,000,000.00 (70.88%) – in connection with the ongoing process of distribution of free Company shares among eligible employees, the final amount of dividend to the State Treasury and to other shareholders will be determined on the dividend record date,
3. to increase the Company's Social Benefits Fund by PLN 8,925,000.00 (1.34%),
4. to grant bonuses to employees in the amount of PLN 54,614,761.61 (8.20%), including:
  - PLN 43,345,048.90 for payment of bonuses (8.5% of the base),
  - PLN 11,269,712.71 for mandatory charges on the bonuses.
5. to increase capital reserve designated as "Central Restructuring Fund" by PLN 10,000,000.00 (1.50%).

Presented below is the rationale for the proposed amounts of allocations.

#### **Re 1. Increase of Statutory Reserve Funds**

The proposal to contribute profit to statutory reserve funds follows from the need to ensure financing for the projects launched under the approved 2010 investment plan. In 2010, PGNiG SA intends to spend approximately PLN 3.7bn on investments, an amount which substantially exceeds the amounts spent in previous years and is similar to that incurred in 2009.

The investment projects already under way include:

- Projects related to increasing the production capacity of crude oil and natural gas in Poland. In 2010, the Company intends to allocate approximately PLN 800m for this purpose, which will allow it to finance the development of hydrocarbon reserves and construction of new natural gas and crude oil production facilities (e.g. LMG Project, the Grodzisk Project);
- Projects related to diversification of natural gas supplies to Poland. In 2010, PGNiG SA earmarked approximately PLN 616m for this purpose. The entire amount will be allocated for the THOR project, consisting in development of North Sea reserves;

- Underground gas storage facilities. In 2010, PGNiG SA will allocate approximately PLN 850m to modernise and expand its existing gas storage facilities, as well as to build new ones. The expansion of storage capacity will result in improved security of gas supplies for the Company's customers. Investments in underground gas storage facilities are also necessary to ensure compliance with the Act on Stocks of Crude Oil, Petroleum Products and Natural Gas, passed by the Lower Chamber of the Polish Parliament on February 16th 2007 and signed into law by the President of the Republic of Poland on March 8th 2007 (Dz.U. of 2007, No. 52, item 343);
- PGNiG SA is involved in a number of exploration projects abroad. It holds interests in licences located in Pakistan, Libya, Denmark and Egypt. The Company plans to spend approximately PLN 360m for this purpose in 2010;
- The Company has planned to spend approximately PLN 490m on exploration projects in Poland in 2010. In aggregate, the Company plans to spend on exploration projects in 2010 approximately PLN 870m (including reserve).

Considering the abovementioned investment projects aimed at ensuring the Company's growth and outlined in the approved investment plan for 2010, and considering the trade unions' demands, the Management Board – having received a positive opinion by the Supervisory Board – leaves the final decision concerning the use of the statutory reserve funds to the General Shareholders Meeting of PGNiG SA, in accordance with applicable Polish laws and the Company's Articles of Association.

## **Re 2. Dividend Payment**

It is proposed to allocate to dividend payment PLN 472,000,000.00 (PLN 0.08 per share).

In the case of the State Treasury, in accordance with the provisions of Par. 63 of the Company's Articles of Association, the dividend will be paid in non-cash form, namely in the form of physical transmission assets, including assets currently leased to OGP GAZ–SYSTEM SA and investments in progress related to subsystems of the transmission grid. Currently, the Company is selecting assets with clear legal status in order to make the payment. Moreover, the assets are selected taking into account their location so that they constitute related components of the transmission system.

In connection with the on-going process of distribution of free Company shares among eligible employees, the final amount of dividend to the State Treasury and to other shareholders will be determined on the dividend record date.

### **Re 3. Contributions to the Company's Social Benefits Fund**

For the eighth consecutive year PGNiG SA has posted a positive financial result. However, despite its higher efficiency, the Company has limited capacity for increasing the employees' pay due to the obligation to comply with the fixed average monthly pay increase ratio. The situation aggravated in 2009 with unfavourable co-occurrence of a number of adverse macroeconomic factors.

The 2010 business plans provide for a very limited increase in the payroll fund. This potentially may lead to disputes with partners in the social dialogue. Additional funds allocated to finance social initiatives may prove a forceful argument in social debates, taking off the pressure from the pay-rise issue, and mitigating the risk of an adverse change in the Company's social climate.

Under applicable regulations, social benefits paid by the employer include benefits provided to the retired employees of PGNiG SA. To note, the provisions of the Polish law governing social benefits funds incorporate certain solutions sourced from the EU law. Consequently, although the amount of basic contributions per former employee is lower than the amount of contributions per employee, in fact all the eligible beneficiaries receive benefits from the Company's Social Benefits Fund in the same amounts. Taking into account a growing need to provide financial assistance to former employees of PGNiG SA who retired due to disability or old age; former employees who were made redundant in the previous years as a result of restructuring programmes; employees who, together with their families, face serious financial difficulties; employees who had accidents at work; employees suffering from grave illnesses or disability; and families affected by natural disasters, it is necessary to increase social spending.

Another important argument is that the right to receive cash equivalents of gas allowances, held by a group of former employees, expires as of the end of 2010. This will surely inflate demand for social aid.

The increase of the Company social benefits fund will allow the Company to implement financial aid programmes for:

- former employees who were made redundant in previous years as a result of restructuring programmes and receive pre-retirement benefits;
- employees who, together with their families, face serious financial difficulties;
- employees who had accidents at work;
- families affected by natural disasters.

The abovementioned projects and initiatives, financed from the Company's Social Benefits Fund, will be implemented in close cooperation with partners in the social dialogue. Such cooperation will serve to advance the dialogue and to minimise the threat of conflicts.

#### **Re 4. Employee Bonuses**

PLN 43,345,048.90 represents 8.5% of the base amount for calculation of the bonus, i.e. the amount of remuneration charged to PGNiG SA's expenses in 2009, excluding the remuneration paid to persons listed in Art. 2.1–2.4 of the Act on Remuneration of Persons Managing Certain Legal Entities, dated March 3rd 2000 (Dz.U. No. 26, item 306, as amended).

The amount of PLN 11,269,712.71 is to cover Social Security contributions and contributions to the employee pension plan.

The total amount to finance payment of bonuses from the 2009 profit is PLN 54,614,761.61.

Having analysed the *Guidelines for State-Stock Companies and Companies in which the State Treasury Has Majority Interest which Prepare Financial Statements for 2009*, used as a reference document for the proposal to pay the bonuses to PGNiG SA's employees, the Human Resources and Training Office of PGNiG SA hereby requests that PLN 54,614,761.61 from the Company's profit be allocated to payment of the bonuses for PGNiG SA's employees. The amount represents 8.5% of the remuneration charged to expenses in 2009, calculated using the methodology applied in preparation of reports for the Central Statistics Office, excluding remuneration paid to the management team but including overheads.

The allocation of PLN 54,614,761.61 from the Company's profit for employee bonuses will enable PGNiG SA to pay bonuses to all the eligible employees in the amount equal to 8.5% of the remuneration charged to PGNiG SA's expenses in 2009. This is consistent with the "Other Distributions from Profit" Section of the *Guidelines for State-Stock Companies and Companies in which the State Treasury Has Majority Interest which Prepare Financial Statements for 2009*.

#### **Re 5. Increase of the Capital Reserve Designated as "Central Restructuring Fund"**

Pursuant to Resolution No. 3 of the Extraordinary General Shareholders Meeting of PGNiG SA of December 11th 2008, the capital reserve designated as “Central Restructuring Fund” will be maintained until the completion of the Programme for Employment Streamlining and Redundancy Payments to the Employees of the PGNiG Group for 2009–2011 (Stage 3), that is until December 31st 2011.

As at March 1st 2010, the Central Restructuring Fund’s balance was PLN 8,321,785.20. At present, the process of disbursement of funds in the amount of PLN 1,070,002.00 for payment of redundancy benefits to employees of companies covered by the employment streamlining programme is at an advanced stage. Accordingly, the available balance of the Central Restructuring Fund is PLN 7,250,000.00.

According to the assumptions underlying the creation of the Central Restructuring Fund, monies from the Central Restructuring Fund may be used to finance additional redundancy payments under the Programme for Employment Streamlining (in accordance with the terms/criteria of the Programme) to former employees of companies covered by the Programme which, for various reasons, are not able to finance such redundancy payments themselves.

The necessity for PGNiG SA and the Group companies to accommodate to the changing market conditions, including the planned consolidation of the PGNiG Group companies (e.g. consolidation of its engineering and construction companies), requires the Company to ensure sufficient funds for redundancy payments.

We estimate that if job cuts prove necessary in accordance with the rules of the Programme, the actual currently remaining balance of PLN 7,250,000 would be sufficient to finance redundancy payments to 120–150 former employees only.

In view of the above, an additional contribution of PLN 13,000,000.00 to the capital reserve designated as “Central Restructuring Fund” is justified.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** determination of assets to be distributed as non-cash dividend and the manner of measuring the assets' value.

Par. 1

Acting pursuant to Par. 56.3.3 and Par. 63.7 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby resolves as follows:

1. dividend attributable to the State Treasury will be collected by the shareholder in the non-cash form, in the maximum amount due to the shareholder in respect of its shareholding, provided that the dividend may not exceed PLN 339,999,999.92. The dividend will be collected in the following form:
  - a) sub-systems of the transmission system disclosed as assets in the accounting books of PGNiG SA, described in detail in Appendix No. 1 to this Resolution;
  - b) rights to capital expenditure made by PGNiG SA on assets under construction connected with the sub-systems of the transmission system disclosed in the accounting books of PGNiG SA, described in detail in Appendix No. 2 to this Resolution;
- with a proviso that an additional cash payment will be made if:
  - the value of the tangible assets and rights referred to in Section 1a) and 1b) above is lower than the total dividend payable to the Shareholder and determined as at the dividend record date,
  - PGNiG SA no longer holds the right to dispose of the above assets on the date on which dividend is actually distributed.
2. The value of the assets described in detail in Appendix No. 1 and of the rights to capital expenditure described in detail in Appendix No. 2, which are components of the non-cash dividend, have been valued in the following manner:
  - i. The value of sub-systems of the transmission system, as such sub-systems are referred to in Section 1a) of this Resolution and included in Appendix No. 1 hereto, has been computed according to the formula provided for in Appendix No. 3 to the Operating Lease Agreement concluded on July 6th 2005 between PGNiG SA and Operator Gazociągów Przesyłowych GAZ-SYSTEM SA. The formula is presented in Appendix No. 3 to this Resolution.

- ii. The value of rights to capital expenditure made by PGNiG SA on assets under construction connected with the sub-systems of the transmission system, as such rights are referred to in Section. 1b) of this Resolution, have been computed according to the formula provided for in Section 1.4 of Appendix No. 4 to the Operating Lease Agreement concluded on July 6th 2005 between PGNiG SA and Operator Gazociągów Przesyłowych GAZ-SYSTEM SA. The formula is presented in Appendix No. 3 to this Resolution.

#### Par. 2

1. The Annual General Shareholders Meeting of PGNiG SA hereby approves the disposal of tangible assets, including property and perpetual usufruct right, with a value in excess of the PLN equivalent of EUR 1,000,000, specified in Appendices Nos. 1 and 2 to this Resolution, which are to be transferred as non-cash dividend.
2. The Annual General Shareholders Meeting of PGNiG SA resolves that the difference between the total amount of dividend payable to the State Treasury as at the dividend record date, that is July 27th 2010, and the amount of non-cash dividend specified in Par. 1.1 above will be collected by the shareholder in cash.

#### Par. 3

The Resolution shall take effect as of its adoption date.

#### **Grounds:**

On March 23rd 2010, the Management Board of PGNiG SA adopted Resolution No. 134/2010 concerning a request to the Annual General Shareholders Meeting of PGNiG SA, convened for April 29th 2010, to adopt a Resolution concerning determination of assets to be distributed as non-cash dividend and the manner of measuring the assets' value.

On March 25th 2010, the Management Board of PGNiG SA adopted Resolution No. 145/2010 concerning provision of more detailed information in Appendices Nos. 1 and 2 to the draft Resolution of the Annual General Shareholders Meeting of PGNiG SA. The need to provide more detailed information follows from the determination of the "List of Assets to Be Distributed as Non-Cash Dividend" made with OGP Gaz-System SA on March 24th 2010.

On March 31st 2010, the Management Board of PGNiG SA adopted Resolution No. 147/2010 to single out an item of the assets specified in Appendix No. 1 to the draft Resolution of the Annual General Shareholders Meeting of PGNiG SA to provide a separate description of the item.



On March 31st 2010, the Supervisory Board of PGNiG SA adopted Resolution No. [■] concerning an opinion on the aforementioned Management Board's request to the General Shareholders Meeting of PGNiG SA.

Acting in line with the provisions of Par. 63.6 to 63.8 of the Articles of Association of PGNiG SA, which provide that the dividend due to the State Treasury from PGNiG SA's profit for 2005-2009 will be distributed as non-cash dividend in the form of transmission assets covered by the Operating Lease Agreement with Operator Gazociągów Przesyłowych Gaz-System SA and in the form of investments in progress related to subsystems of the transmission system, bearing in mind that the State Treasury will increase the share capital of Gaz-System SA through a non-cash contribution in the form of the transmission assets received as non-cash dividend, I request that the draft Resolution of the Annual General Shareholders Meeting of PGNiG convened for April 29th 2010 be included as agenda item entitled "Adoption of a resolution on determination of assets to be distributed as non-cash dividend and the manner of measuring the assets' value".

The proposed manner of the valuation of the dividend assets is based on the formula provided for in Appendix No. 3 to the Operating Lease Agreement concluded on July 6th 2005 between PGNiG SA and Operator Gazociągów Przesyłowych Gaz-System SA. It is the Management Board's opinion that the formula reflects the market conditions as it has been agreed upon between two mutually independent entities. It was further confirmed in the process of distribution of non-cash dividend for 2008. To confirm the above, an independent expert will perform a valuation by April 15th 2010, to confirm the computed market value of the assets to be distributed as non-cash dividend.

Given that the above request requires a resolution of the Annual General Shareholders Meeting of PGNiG SA, the Management Board motions for adopting a resolution concerning the determination of assets to be distributed as non-cash dividend and the manner of measuring the value of those assets.

The Management Board of PGNiG SA explains that in connection with the ongoing process of delivering, free of charge, the Company shares to eligible employees, the final amount of dividend to the State Treasury and to other shareholders will be determined on the dividend record date, i.e. July 27th 2010.

**Enclosures:**

1. assets carried in the books of PGNiG SA,
2. tangible assets under construction, related to sub-systems of the transmission system, carried in the books of PGNiG SA,
3. formula for calculation of the value of sub-systems of the transmission system.

**Resolution No. ....**  
**of the Annual General Shareholders Meeting**  
**of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**  
**of Warsaw**  
**dated .....**

**concerning:** use of capital reserves designated as “Central Restructuring Fund” for one-off payments (redundancy payments) to 23 former employees of PNiG Kraków Sp. z o.o. of Kraków.

Acting pursuant to Par. 56.3.9 of the Company’s Articles of Association, and based on the positive opinion of PGNiG’s Supervisory Board, expressed in Resolution No. [■] of [■], the General Shareholders Meeting hereby resolves as follows:

**Par. 1**

The General Shareholders Meeting of PGNiG SA resolves to use an amount of PLN 1,070,002 from the capital reserve designated as “Central Restructuring Fund” for one-off payments (redundancy payments) to 23 former employees of PNiG Kraków Sp. z o.o. of Kraków, who were affected by the Employment Streamlining Plan in 2009.

**Par. 2**

This Resolution takes effect as of its adoption date.

**Grounds:**

The Management Board of Poszukiwania Nafty i Gazu Kraków Sp. z o.o. prepared a corporate recovery plan entitled “Financial Restructuring Programme and Future-Oriented Contract Acquisition Plan for PNiG Kraków Sp. z o.o. for the Years 2008–2009” and submitted it to the Supervisory Board of PNiG Kraków Sp. z o.o. The company’s Supervisory Board expressed its positive opinion on the document. The document envisages a number of restructuring measures aimed at improving the company’s financial liquidity, including a solution to the issue of the Orient Hotel Branch and its impact on the company’s financial result. In connection with the Employment Streamlining Plan for 2009, 23 employees of PNiG Kraków Sp. z o.o. had their employment contracts terminated under the Act on Special Rules Governing Termination of Employment for Reasons not Attributable to Employees, dated March 13th 2003 (Dz. U. No. 90, item 844, as amended). Termination of the employment contracts with the employees of the Orient Hotel Branch in Kraków is connected with job cuts which followed as a result of adoption by the company of the “Employment

Streamlining Plan for PNiG Kraków Sp. z o.o. in 2009” in accordance with the terms and conditions of the Programme.

In accordance with the proposal by the company’s Management Board, the employees are entitled to “one-off payments (redundancy payments)” whose amount depends on the type of the streamlining (restructuring) measure envisaged in the Programme for Employment Streamlining of the PGNiG Group. The aggregate amount of such one-off payments (redundancy payments) at PNiG Kraków Sp. z o.o. is PLN 1,070,002.

In February 2009, the Central Restructuring Fund Committee received a Request by PNiG Kraków Sp. z o.o. to grant one-off social benefits (redundancy payments) to the employees of the Orient Hotel (a Branch of PNiG Kraków Sp. z o.o.) from the Central Restructuring Fund in accordance with the terms and conditions of the Programme. The Request was reviewed by the Social Dialogue and Welfare Department and the Department of Ownership Supervision. The Employment Streamlining Plan for PNiG Kraków Sp. z o.o. of Kraków for 2009 was positively assessed and approved by the General Shareholders Meeting. The General Shareholders Meeting also expressed its consent for the implementation of the Programme for Employment Streamlining by the company in 2009. However, on July 27th 2009, the company reported that the key element of the employment streamlining plan, that is sale of real property located in Kraków which accommodates – among other buildings – the Orient Hotel, would probably not be completed in 2009 and accordingly, the employment contracts would not be terminated and there would be no need to pay the related social benefits. For that reason, all procedures connected with disbursement of the funds from the Central Restructuring Fund were suspended.

On December 11th 2009, the above Request was resubmitted by PNiG Kraków Sp. z o.o. of Kraków for consideration by the Central Restructuring Fund Committee. Having analysed the materials presented by the company, including declarations submitted by the company’s employees, the Committee approved the Request, and asked the competent Department to prepare a relevant Request to the Management Board of PGNiG SA with a view to initiating the procedure of disbursing the funds from the Central Restructuring Fund.