

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, May 26th 2020

Draft resolutions for the Annual General Meeting of PGNiG SA to be held on June 24th 2020

Current Report No. 23/2020

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA (“PGNiG” or the “Company”) is publishing draft resolutions to be submitted to the vote of the Annual General Meeting of PGNiG convened for June 24th 2020.

Further to the Current Report No. 22/2020 of May 26th 2020, the Management Board of the Company informs, that the draft resolutions regarding points number 12 and 13 of the planned agenda of the Annual General Meeting of PGNiG will be made available to the public by a separate current reports.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: appointment of the Chairman of this Meeting.

Section 1

The Annual General Meeting of PGNiG SA resolves to appoint
as Chairman of this Meeting

Section 2

This Resolution shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: approval of the agenda for the Annual General Meeting.

Section 1

The Annual General Meeting of PGNiG SA resolves to adopt the following agenda:

1. Opening of the Meeting.
2. Appointment of Chairman of the Meeting.
3. Confirmation that the Meeting has been duly convened and has the capacity to pass resolutions.
4. Preparation of the attendance list.
5. Adoption of the agenda.
6. Review and approval of the financial statements of PGNiG S.A. for 2019.
7. Review and approval of the consolidated financial statements of the PGNiG Group for 2019, the Directors' Report on the Operations of PGNiG S.A. and the PGNiG Group in 2019, and the PGNiG Group's Non-Financial Statement in 2019.
8. Resolutions to grant discharge to members of the Management Board of PGNiG S.A. in respect of performance of their duties in 2019.
9. Resolutions to grant discharge to members of the Supervisory Board of PGNiG S.A. in respect of performance of their duties in 2019.
10. Resolution on changes in the composition of the Supervisory Board of PGNiG SA.
11. Resolution on allocation of the Company's net profit for 2019 and setting the dividend record date and the dividend payment date.
12. Approval of Remuneration Policy for Members of Management Board and Supervisory Board.
13. Resolution to amend the Articles of Association of Polskie Górnictwo Naftowe i Gazownictwo S.A.
14. Closing of the Meeting.

Section 2

This Resolution shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to review and approve the separate financial statements of PGNiG S.A. for 2019.

Section 1

Acting pursuant to Art. 395.2.1 of the Commercial Companies Code and Art. 56.1.1 of the Company's Articles of Association, the General Meeting of Polskie Górnictwo Naftowe i Gazownictwo S.A. resolves to approve:

1. The separate financial statements of PGNiG S.A. for the financial year from January 1st to December 31st 2019, prepared in accordance with International Financial Reporting Standards, comprising:
 - a) statement of profit or loss for the period from January 1st to December 31st 2019, showing net profit of PLN 1,748m;
 - b) statement of comprehensive income for the period from January 1st to December 31st 2019, showing net comprehensive income of PLN 2,498m;
 - c) statement of financial position as at December 31st 2019, showing total assets of PLN 41,044m;
 - d) statement of cash flows for the period from January 1st to December 31st 2019, showing a net decrease in cash of PLN 319m;
 - e) statement of changes in equity for the period from January 1st to December 31st 2019, showing an increase in equity of PLN 1,785m;
 - f) notes, including a summary of the adopted accounting policies and other explanatory notes.

Section 2

This Resolution shall come into force as of its date.

Statement of reasons

Art. 52.2 of the Polish Accounting Act of September 29th 1994 provides that the financial statements of an entity must be signed by the entity's director or, where the entity is managed by a body composed of more than one member – by all members of that body (i.e. the Company's Management Board). Pursuant to Art. 49.1. of the Accounting Act, the financial statements must be accompanied by the Directors' report on the entity's operations. The Directors' Report on the operations of PGNiG S.A. and the PGNiG Group for 2019 has been prepared as a single document (Art. 55.2a of the Accounting Act) and has been submitted for approval together with the consolidated financial statements of the PGNiG Group. Once approved, the separate financial statements are submitted by the Management Board to the Supervisory Board for assessment and then to the General Meeting for approval.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to review and approval of the consolidated financial statements of the PGNiG Group for 2019, the Directors' Report on the Operations of PGNiG S.A. and the PGNiG Group in 2019, and the PGNiG Group's Non-Financial Statement in 2019.

Section 1

Acting pursuant to Art. 395.2.1 and Art. 395.5 of the Commercial Companies Code and Art. 56.1.1 and Art. 56.2.2 of the Company's Articles of Association, the General Meeting of Polskie Górnictwo Naftowe i Gazownictwo S.A. resolves to approve:

1. The consolidated financial statements of the PGNiG Group for the financial year from January 1st to December 31st 2019, prepared in accordance with International Financial Reporting Standards, comprising:
 - a) consolidated statement of profit or loss for the period from January 1st to December 31st 2019, showing net profit of PLN 1,371m;
 - b) consolidated statement of comprehensive income for the period from January 1st to December 31st 2019, showing net comprehensive income of PLN 2,087m;
 - c) consolidated statement of financial position as at December 31st 2019, showing total assets of PLN 59,185m;
 - d) consolidated statement of cash flows for the period from January 1st to December 31st 2019, showing a net decrease in cash of PLN 887m;
 - e) consolidated statement of changes in equity for the period from January 1st to December 31st 2019, showing an increase in equity of PLN 1,475m;
 - f) notes, including a summary of the adopted accounting policies and other explanatory notes;
2. Directors' Report on the operations of PGNiG S.A. and the PGNiG Group in 2019.
3. PGNiG Group's Non-Financial Statement in 2019.

Section 2

This Resolution shall come into force as of its date.

Statement of reasons

Art. 63c.3 of the Polish Accounting Act of September 29th 1994 provides that the consolidated financial statements of a group must be signed by the parent entity's director or, where the entity is managed by a body composed of more than one member – by all members of that body (i.e. the Company's Management Board) and other persons responsible for the preparation of the consolidated financial statements.

Pursuant to Art. 55.2a of the Accounting Act, the group's financial statements must be accompanied by the Directors' report on the group's operations. Pursuant to Art. 55.2a of the Accounting Act, are prepared a separate PGNiG Group's Non-Financial Statement. Once approved, the consolidated financial statements of the Group and the Directors' report on the operations of PGNiG S.A. and the PGNiG Group, and PGNiG Group's Non-Financial Statement are submitted by the Management Board to the Supervisory Board for assessment and then to the General Meeting for approval.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Piotr Woźniak, President of the Management Board of PGNiG S.A., in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Piotr Woźniak in respect of his performance of duties as President of the Management Board of PGNiG S.A. in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Radosław Bartosik, Vice President of the PGNiG Management Board, Chief Operating Officer, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Radosław Bartosik in respect of his performance of duties as Vice President of the PGNiG Management Board, Chief Operating Officer, in the period from January 1st to January 16th 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Łukasz Kroplewski, Vice President of the PGNiG Management Board, Development, in respect of his performance of duties in the financial year 2019

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Łukasz Kroplewski in respect of his performance of duties as Vice President of the PGNiG Management Board, Development, in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Michał Pietrzyk, Vice President of the PGNiG Management Board, Finance, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Michał Pietrzyk in respect of his performance of duties as Vice President of the PGNiG Management Board, Finance, in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Maciej Woźniak, Vice President of the PGNiG Management Board, Trade, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Maciej Woźniak in respect of his performance of duties as Vice President of the PGNiG Management Board, Trade, in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Magdalena Zegarska, Vice President of the PGNiG Management Board, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Magdalena Zegarska in respect of his performance of duties as Vice President of the PGNiG Management Board, in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Robert Perkowski, Vice President of the PGNiG Management Board, Chief Operating Officer, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Robert Perkowski in respect of his performance of duties as Vice President of the PGNiG Management Board, Development, in the period from March 18th to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Bartłomiej Nowak, Chairman of the PGNiG Supervisory Board, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Bartłomiej Nowak, in respect of his performance of duties as Chairman of the PGNiG Supervisory Board, in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Piotr Sprzączak, Deputy Chairman of the PGNiG Supervisory Board, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Piotr Sprzączak, in respect of his performance of duties as Deputy Chairman of the PGNiG Supervisory Board, in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Sławomir Borowiec, Member of the PGNiG Supervisory Board, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Sławomir Borowiec, in respect of his performance of duties as Member of the PGNiG Supervisory Board, in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Piotr Broda, Member of the PGNiG Supervisory Board, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Piotr Broda, in respect of his performance of duties as Member of the PGNiG Supervisory Board, in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Andrzej Gonet, Member of the PGNiG Supervisory Board, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Andrzej Gonet, in respect of his performance of duties as Member of the PGNiG Supervisory Board, in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Mieczysław Kawecki, Member of the PGNiG Supervisory Board, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Mieczysław Kawecki, in respect of his performance of duties as Member of the PGNiG Supervisory Board, in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Stanislaw Sieradzki, Member of the PGNiG Supervisory Board, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Stanisław Sieradzki, in respect of his performance of duties as Member of the PGNiG Supervisory Board, in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Grzegorz Tchorek, Member of the PGNiG Supervisory Board, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Grzegorz Tchorek, in respect of his performance of duties as Member of the PGNiG Supervisory Board, in the period from January 1st to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: to grant discharge to Roman Gabrowski, Member of the PGNiG Supervisory Board, in respect of his performance of duties in the financial year 2019.

Section 1

Acting pursuant to Art. 393.1 and Art. 395.2.3 of the Commercial Companies Code and Art. 56.1.2 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. grants discharge to Roman Gabrowski, in respect of his performance of duties as Member of the PGNiG Supervisory Board, in the period from August 22nd to December 31st 2019.

Section 2

This Resolution has been passed by secret ballot and shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: removal of PGNiG Supervisory Board member.

Acting pursuant to Art. 385.1 of the Commercial Companies Code and Art. 56.2.1 of the Company's Articles of Association:

Section 1

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

Section 2

This Resolution shall come into force as of its date.

**the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020**

concerning: appointment of PGNiG Supervisory Board member.

Acting pursuant to Art. 385.1 of the Commercial Companies Code and Art. 56.2.1 of the Company's Articles of Association:

Section 1

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

Section 2

This Resolution shall come into force as of its date.

Resolution No. / 2020
of the Annual General Meeting
of the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
dated 2020

concerning: allocation of the Company's net profit for 2019 and setting the dividend record date and the dividend payment date.

Section 1

Acting pursuant to Art. 395.2.2 and Art. 348.4 of the Commercial Companies Code and to Art. 56.1.3 and Art. 56.1.4 of the Company's Articles of Association, the Annual General Meeting of PGNiG S.A. resolves to:

1. allocate PLN 1,628,957,224.65, comprising PGNiG S.A.'s net profit for 2019 of PLN 1,747,606,301.26 and accumulated loss brought forward of PLN 118,649,076.61 resulting from the implementation of new accounting standards (IFRS 9 in 2018 and IFRS 16 in 2019), as follows:
 - a) PLN 520,048,337.13 shall be distributed to the Company's shareholders as dividend (PLN 0.09 per share);
 - b) PLN 1,108,908,887.52 shall be transferred to the Company's statutory reserve funds.
2. The dividend record date shall be July 20th 2020.
3. The dividend payment date shall be August 3rd 2020.

Section 2

This Resolution shall come into force as of its date.

Statement of reasons

In accordance with the dividend policy defined in the 'PGNiG Group Strategy for 2017–2022 with an Outlook until 2026', the PGNiG S.A. Management Board proposes to distribute up to 50% (i.e. 37.93%) of the consolidated net profit for 2019 as dividend.

The Management Board would like to note that the 'PGNiG Group Strategy for 2017–2022 with an Outlook until 2026' provides for significant capital expenditure in the period covered by the strategy, in particular on the implementation of production projects, activities related to exploration for and appraisal of crude oil and natural gas deposits, expansion of the distribution network, and development of the power generation sector.

When evaluating the feasibility of its investment plans, the PGNiG S.A. Management Board took into account the PGNiG Group's financial standing, including the available sources of external financing and PGNiG's own cash resources, including cash generated in PGNiG's day-to-day operations. It can thus be concluded that the funds available to the PGNiG Group are sufficient to finance its investment plans and pay dividend.

Dividend record date and dividend payment date

Pursuant to Art. 348.3 of the Commercial Companies Code and Art. 63.4 of the Company's Articles of Association, the dividend record date of a public company may be set by the General Meeting as the date of the resolution or a date falling within three months of the resolution date.

In line with section IV.Z.16 of the Code of Best Practice for WSE-Listed Companies, the dividend record date and the dividend payment date should be set so as to ensure the shortest possible period between these dates, in no case longer than 15 business days. A longer period between these dates requires a detailed justification. Moreover, in the light of Art. 348.4 of the Commercial Companies Code and the Detailed Rules of Operation of the Central Securities Depository of Poland (par. 106), the dividend record date may not fall earlier than on the 5th business day following the General Meeting's relevant resolution, while the dividend payment may not fall earlier than on the 5th business day after the dividend record date.

Legal basis:

Par. 19.1.2 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018 (Dz.U. of 2018, item 757).