



Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, June 28th 2016

Amendments to the Articles of Association of PGNiG S.A.

Current Report No. 64/2016

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG", the "Company") reports that the Annual General Meeting of the Company, held on June 28th 2016, adopted Resolution No. 29/VI/2016 whereby it amended the Company's Articles of Association.

The amendment shall become effective upon their registration by the Registry Court.

1. Article 17.1 read as follow:

„1. The State Treasury, as a Company shareholder represented by the minister competent for matters pertaining to the State Treasury, shall have the rights provided for in these Articles of Association and other regulations.”

shall read as follows:

„1. The State Treasury, as a Company shareholder represented by the minister competent for matters pertaining to the Energy, shall have the rights provided for in these Articles of Association and other regulations.”

2. Article 17.2 read as follows:

„2. The following issues shall be subject to approval by the State Treasury as a Company shareholder, represented by the minister competent for matters pertaining to the State Treasury, with such approval to be issued in writing:

- 1) amendments to material provisions of existing commercial contracts on natural gas imports to Poland, or execution of new commercial contracts on natural gas imports to Poland,
- 2) implementation of strategic investment projects or the Company's involvement in investment projects that result in a lasting or temporary deterioration of the economic efficiency of the Company's operations but that are required for ensuring the energy security of Poland.”

shall read as follows:

„2. The following issues shall be subject to approval by the State Treasury as a Company shareholder, represented by the minister competent for matters pertaining to the Energy, with such approval to be issued in writing:

- 1) amendments to material provisions of existing commercial contracts on natural gas imports to Poland, or execution of new commercial contracts on natural gas imports to Poland,
- 2) implementation of strategic investment projects or the Company's involvement in investment projects that result in a lasting or temporary deterioration of the economic efficiency of the Company's operations but that are required for ensuring the energy security of Poland.”

3. Article 23.2 read as follows:

„2. The Management Board shall submit, upon each request, to the minister competent for matters pertaining to the State Treasury and the minister competent for the economy, detailed reports on the performance of the activities undertaken with a view to ensuring the energy security of Poland.”

shall read as follows:

„2. The Management Board shall submit, upon each request, to the minister competent for matters pertaining to the Energy, detailed reports on the performance of the activities undertaken with a view to ensuring the energy security of Poland.”

4. Article 23.2a read as follows:

„2a. The Management Board shall submit to the minister competent for matters pertaining to the State Treasury, within two months from the closing of the General Meeting which approved the financial statements and the Directors' Reports of the Company's subsidiary and related companies, annual reports concerning the matters listed below, along with an assessment of information contained therein in the context of the energy security of Poland:

- 1) implementation of a strategic investment project or involvement in investment projects that result in a lasting or temporary deterioration of the economic efficiency of the operations of that subsidiary or related company, but that are required for ensuring the energy security of Poland,
- 2) entering by the operator or the owner of a distribution system or an interconnection gas pipeline into an obligational relationship with a foreign entity in relation to or in connection with the planning, analysis, construction, expansion or disposal of a transmission network, distribution network, interconnection gas pipeline or a direct gas pipeline, within the meaning of the Polish Energy Law, if the obligational relationship is related to infrastructure with a present value or – in the case of new infrastructure or

infrastructure being planned – with an estimated value exceeding the PLN equivalent of EUR 500,000,

3) entering by the operator or the owner of a storage facility into an obligational relationship with a foreign entity in relation to or in connection with the planning, analysis, construction, expansion or disposal of a storage facility, within the meaning of the Polish Energy Law, if the obligational relationship is related to infrastructure with a present value or – in the case of new infrastructure or infrastructure being planned – with an estimated value exceeding the PLN equivalent of EUR 500,000,

4) entering by the owner of a generation unit or a cogeneration unit into an obligational relationship with a foreign entity in relation to or in connection with the planning, analysis, construction, expansion or disposal of a generation unit or a cogeneration unit, within the meaning of the Polish Energy Law, if the obligational relationship is related to infrastructure with a present value or – in the case of new infrastructure or infrastructure being planned – with an estimated value exceeding the PLN equivalent of EUR 500,000,

5) entering into an obligational relationship with a foreign entity in relation to or in connection with hydrocarbon exploration, appraisal or production, within the meaning of the Polish Geological and Mining Law, if the value of the obligational relationship exceeds the PLN equivalent of EUR 5,000,000,

- with the proviso that items 1–5 above shall not apply to information concerning credit agreements, maintenance services, including overhauls, geophysical, drilling and well services and projects, as well as services or deliveries relating to such agreements or projects.

- item 5 shall neither apply to information concerning the activities of a foreign subsidiary pertaining to contracts and agreements concluded as part of day-to-day management of the organisational structure, including employment contracts, use of assets where the related liabilities are equal to or less than EUR 5,000,000, and day-to-day administrative expenses.”

shall read as follows:

„2a. The Management Board shall submit to the minister competent for matters pertaining to the Energy, within two months from the closing of the General Meeting which approved the financial statements and the Directors’ Reports of the Company’s subsidiary and related companies, annual reports concerning the matters listed below, along with an assessment of information contained therein in the context of the energy security of Poland:

1) implementation of a strategic investment project or involvement in investment projects that result in a lasting or temporary deterioration of the economic efficiency of

the operations of that subsidiary or related company, but that are required for ensuring the energy security of Poland,

2) entering by the operator or the owner of a distribution system or an interconnection gas pipeline into an obligational relationship with a foreign entity in relation to or in connection with the planning, analysis, construction, expansion or disposal of a transmission network, distribution network, interconnection gas pipeline or a direct gas pipeline, within the meaning of the Polish Energy Law, if the obligational relationship is related to infrastructure with a present value or – in the case of new infrastructure or infrastructure being planned – with an estimated value exceeding the PLN equivalent of EUR 500,000,

3) entering by the operator or the owner of a storage facility into an obligational relationship with a foreign entity in relation to or in connection with the planning, analysis, construction, expansion or disposal of a storage facility, within the meaning of the Polish Energy Law, if the obligational relationship is related to infrastructure with a present value or – in the case of new infrastructure or infrastructure being planned – with an estimated value exceeding the PLN equivalent of EUR 500,000,

4) entering by the owner of a generation unit or a cogeneration unit into an obligational relationship with a foreign entity in relation to or in connection with the planning, analysis, construction, expansion or disposal of a generation unit or a cogeneration unit, within the meaning of the Polish Energy Law, if the obligational relationship is related to infrastructure with a present value or – in the case of new infrastructure or infrastructure being planned – with an estimated value exceeding the PLN equivalent of EUR 500,000,

5) entering into an obligational relationship with a foreign entity in relation to or in connection with hydrocarbon exploration, appraisal or production, within the meaning of the Polish Geological and Mining Law, if the value of the obligational relationship exceeds the PLN equivalent of EUR 5,000,000,

- with the proviso that items 1–5 above shall not apply to information concerning credit agreements, maintenance services, including overhauls, geophysical, drilling and well services and projects, as well as services or deliveries relating to such agreements or projects.

- item 5 shall neither apply to information concerning the activities of a foreign subsidiary pertaining to contracts and agreements concluded as part of day-to-day management of the organisational structure, including employment contracts, use of assets where the related liabilities are equal to or less than EUR 5,000,000, and day-to-day administrative expenses.”

5. Article 23.2b read as follows:

„2b. The Company's Management Board shall submit relevant information to the minister competent for matters pertaining to the State Treasury, within 21 days from the closing of the General Meeting of a subsidiary or related company which addressed the following matters:

1) a strategic investment project or involvement in investment projects that result in a lasting or temporary deterioration of the economic efficiency of the operations of that subsidiary or related company, but that are required for ensuring the energy security of Poland,

2) entering by the operator or the owner of a distribution system or an interconnection gas pipeline into an obligational relationship with a foreign entity in relation to or in connection with the planning, analysis, construction, expansion or disposal of a transmission network, distribution network, interconnection gas pipeline or a direct gas pipeline, within the meaning of the Polish Energy Law, if the obligational relationship is related to infrastructure with a present value or – in the case of new infrastructure or infrastructure being planned – with an estimated value exceeding the PLN equivalent of EUR 500,000,

3) entering by the operator or the owner of a storage facility into an obligational relationship with a foreign entity in relation to or in connection with the planning, analysis, construction, expansion or disposal of a storage facility, within the meaning of the Polish Energy Law, if the obligational relationship is related to infrastructure with a present value or – in the case of new infrastructure or infrastructure being planned – with an estimated value exceeding the PLN equivalent of EUR 500,000,

4) entering by the owner of a generation unit or a cogeneration unit into an obligational relationship with a foreign entity in relation to or in connection with the planning, analysis, construction, expansion or disposal of a generation unit or a cogeneration unit, within the meaning of the Polish Energy Law, if the obligational relationship is related to infrastructure with a present value or – in the case of new infrastructure or infrastructure being planned – with an estimated value exceeding the PLN equivalent of EUR 500,000,

5) entering into an obligational relationship with a foreign entity in relation to or in connection with hydrocarbon exploration, appraisal or production, within the meaning of the Polish Geological and Mining Law, if the value of the obligational relationship exceeds the PLN equivalent of EUR 5,000,000.

6) approving annual budgets, detailed information concerning resolutions adopted by the General Meeting of the subsidiary or related company in the scope of matters specified in items 1–6 together with an assessment of their implications for the country's energy security,

- the above shall not apply to information concerning credit agreements, maintenance services, including overhauls, geophysical, drilling and well services and projects, as well as services or deliveries relating to such agreements or projects.

Item 5 shall neither apply to information concerning the activities of a foreign subsidiary pertaining to contracts and agreements concluded as part of day-to-day management of the organisational structure, including employment contracts, use of assets where the related liabilities are equal to or less than EUR 5,000,000, and day-to-day administrative expenses.”

shall read as follows:

„2b. The Company’s Management Board shall submit relevant information to the minister competent for matters pertaining to the Energy, within 21 days from the closing of the General Meeting of a subsidiary or related company which addressed the following matters:

1) a strategic investment project or involvement in investment projects that result in a lasting or temporary deterioration of the economic efficiency of the operations of that subsidiary or related company, but that are required for ensuring the energy security of Poland,

2) entering by the operator or the owner of a distribution system or an interconnection gas pipeline into an obligational relationship with a foreign entity in relation to or in connection with the planning, analysis, construction, expansion or disposal of a transmission network, distribution network, interconnection gas pipeline or a direct gas pipeline, within the meaning of the Polish Energy Law, if the obligational relationship is related to infrastructure with a present value or – in the case of new infrastructure or infrastructure being planned – with an estimated value exceeding the PLN equivalent of EUR 500,000,

3) entering by the operator or the owner of a storage facility into an obligational relationship with a foreign entity in relation to or in connection with the planning, analysis, construction, expansion or disposal of a storage facility, within the meaning of the Polish Energy Law, if the obligational relationship is related to infrastructure with a present value or – in the case of new infrastructure or infrastructure being planned – with an estimated value exceeding the PLN equivalent of EUR 500,000,

4) entering by the owner of a generation unit or a cogeneration unit into an obligational relationship with a foreign entity in relation to or in connection with the planning, analysis, construction, expansion or disposal of a generation unit or a cogeneration unit, within the meaning of the Polish Energy Law, if the obligational relationship is related to infrastructure with a present value or – in the case of new infrastructure or infrastructure being planned – with an estimated value exceeding the PLN equivalent of EUR 500,000,

5) entering into an obligational relationship with a foreign entity in relation to or in connection with hydrocarbon exploration, appraisal or production, within the meaning of the Polish Geological and Mining Law, if the value of the obligational relationship exceeds the PLN equivalent of EUR 5,000,000.

6) approving annual budgets, detailed information concerning resolutions adopted by the General Meeting of the subsidiary or related company in the scope of matters specified in items 1–6 together with an assessment of their implications for the country's energy security,

- the above shall not apply to information concerning credit agreements, maintenance services, including overhauls, geophysical, drilling and well services and projects, as well as services or deliveries relating to such agreements or projects.

Item 5 shall neither apply to information concerning the activities of a foreign subsidiary pertaining to contracts and agreements concluded as part of day-to-day management of the organisational structure, including employment contracts, use of assets where the related liabilities are equal to or less than EUR 5,000,000, and day-to-day administrative expenses.”

6. Article 23.3 read as follows:

„3.The Management Board shall prepare or procure the preparation of quarterly economic and financial reviews of the Company and its subsidiaries acting as distribution or storage system operators, in the form defined by the minister competent for matters pertaining to the State Treasury, and shall submit or procure the submission of the reviews to the minister competent for matters pertaining to the State Treasury and the minister competent for the economy by the end of the month in which a periodic report was published at the Warsaw Stock Exchange.”

shall read as follows:

„3.The Management Board shall prepare or procure the preparation of quarterly economic and financial reviews of the Company and its subsidiaries acting as distribution or storage system operators, in the form defined by the minister competent for matters pertaining to the Energy, and shall submit or procure the submission of the reviews to the minister competent for matters pertaining to the Energy by the end of the month in which a periodic report was published at the Warsaw Stock Exchange.”

7. Article 25.3. read as follows:

„3. A member of the Management Board may resign from his/her position by delivering a representation to that effect to the Supervisory Board, with a copy to the State Treasury as a Company shareholder, represented by the minister competent for matters pertaining to the State Treasury. To be valid, the resignation shall be submitted in a written form, or otherwise shall be ineffective towards the Company. The

provisions of the Civil Code governing termination of a mandate by the party accepting the mandate shall apply accordingly to the resignation.”

shall read as follows:

” 3. A member of the Management Board may resign from his/her position by delivering a representation to that effect to the Supervisory Board, with a copy to the State Treasury as a Company shareholder, represented by the minister competent for matters pertaining to the Energy. To be valid, the resignation shall be submitted in a written form, or otherwise shall be ineffective towards the Company. The provisions of the Civil Code governing termination of a mandate by the party accepting the mandate shall apply accordingly to the resignation.”

8. Article 33.3 p. 10 read as follows:

„10) issuance of opinions on the Management Board’s recommendations concerning nomination or removal of PGNiG S.A.'s representatives in the Management and Supervisory Boards of System Gazociągów Tranzytowych EuRoPol GAZ S.A. and submission of such recommendations for acceptance to the State Treasury as a Company shareholder, represented by the minister competent for matters pertaining to the State Treasury.”

shall read as follows:

„10) issuance of opinions on the Management Board’s recommendations concerning nomination or removal of PGNiG S.A.'s representatives in the Management and Supervisory Boards of System Gazociągów Tranzytowych EuRoPol GAZ S.A. and submission of such recommendations for acceptance to the State Treasury as a Company shareholder, represented by the minister competent for matters pertaining to the Energy.”

9. Article 35.1 read as follows:

„1.The Supervisory Board shall have from five to nine members, appointed by the General Meeting, subject to Article 36.1 below. Notwithstanding the foregoing, as long as the State Treasury remains a shareholder of the Company, the State Treasury, represented by the minister competent for matters pertaining to the State Treasury, shall have the right to appoint and remove one member of the Supervisory Board.”

shall read as follows:

„1.The Supervisory Board shall have from five to nine members, appointed by the General Meeting, subject to Article 36.1 below. Notwithstanding the foregoing, as long as the State Treasury remains a shareholder of the Company, the State Treasury, represented by the minister competent for matters pertaining to the Energy, shall have the right to appoint and remove one member of the Supervisory Board.”

10. Article 35.5 read as follows:

„5. A member of the Supervisory Board may resign from his/her position by delivering a representation to that effect to the Management Board, with a copy to the State Treasury as a Company shareholder, represented by the minister competent for matters pertaining to the State Treasury. To be valid, the resignation shall be submitted in a written form, or otherwise shall be ineffective towards the Company. The provisions of the Civil Code governing termination of a mandate by the party accepting the mandate shall apply accordingly to the resignation.”

shall read as follows:

„5. A member of the Supervisory Board may resign from his/her position by delivering a representation to that effect to the Management Board, with a copy to the State Treasury as a Company shareholder, represented by the minister competent for matters pertaining to the Energy. To be valid, the resignation shall be submitted in a written form, or otherwise shall be ineffective towards the Company. The provisions of the Civil Code governing termination of a mandate by the party accepting the mandate shall apply accordingly to the resignation.”

Legal basis: Par. 38.1.2 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 February 19th 2009 (Dz. U. No. 33 of February 28th 2009, item 259).