



Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, November 24th 2016

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

Current Report No110/2016

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG", the "Company") reports that the Extraordinary General Meeting of the Company, held on November 24th 2016, adopted Resolution No. 8/XI/2016 whereby it amended the Company's Articles of Association.

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

1. Article 5 read as follow:

„The Company shall be governed in particular by the provisions of the Act on Commercialisation and Privatisation of August 30th 1996 (Dz. U. of 2002, No. 171, item 1397, as amended), the Commercial Companies Code of September 15th 2000 (Dz. U. No. 94, item 1037, as amended), and these Articles of Association.”

shall read as follows:

„The Company shall be governed in particular by the provisions of the Act on Commercialisation and Privatisation of August 30th 1996, the Commercial Companies Code of September 15th 2000, and these Articles of Association.”

2. Article 7 read as follows:

„The Company's share capital shall amount to PLN 5,900,000,000 (five billion, nine hundred million) and shall comprise:

- (a) 4,250,000,000 Series A bearer shares, numbered from 00 000 000 001 to 04 250 000 000, with a par value of PLN 1 per share and total par value of PLN 4,250,000,000;
- (b) 750,000,000 Series A1 bearer shares, numbered from 0 000 000 001 to 0 750 000 000, with a par value of PLN 1 per share and total par value of PLN 750,000,000;
- (c) 900,000,000 Series B bearer shares, numbered from 0 000 000 001 to 0 900 000 000, with a par value of PLN 1 per share and total par value of PLN 900,000,000.”

shall read as follows:

„ The Company's share capital shall amount to PLN 5,778,314,857 (five billion, seven hundred and seventy-eight million, three hundred and fourteen thousand, eight hundred and fifty-seven zloty) and shall comprise five billion, seven hundred and seventy-eight million, three hundred and fourteen thousand, eight hundred and fifty-seven Series A bearer shares with a par value of PLN 1 (one zloty) per share and total par value of PLN 5,778,314,857 (five billion, seven

hundred and seventy-eight million, three hundred and fourteen thousand, eight hundred and fifty-seven zloty).”

3. Article 8.2 read as follows:

„2. Save for Series A1 shares, the share issues shall be designated with successive letters of the alphabet.”

shall read as follows:

„2. The share issues shall be designated with successive letters of the alphabet.”

4. Article 16.1 read as follows:

„1. Eligible employees shall have the right to acquire free of charge up to 15% of the shares subscribed for by the State Treasury on the date of registration of the Company, on the terms and conditions stipulated in the Act on Commercialisation and Privatisation and in the Regulation of the Minister of State Treasury on detailed rules governing division of eligible employees into groups, determination of the number of shares to be allocated to each group, and on the procedure of acquisition of shares by eligible employees of January 29th 2003 (Dz. U. of 2003, No 35, item 303, as amended).”

shall read as follows:

„1. Eligible employees shall have the right to acquire free of charge up to 15% of the shares subscribed for by the State Treasury on the date of registration of the Company, on the terms and conditions stipulated in the Act on Commercialisation and Privatisation and in the Regulation of the Minister of State Treasury on detailed rules governing division of eligible employees into groups, determination of the number of shares to be allocated to each group, and on the procedure of acquisition of shares by eligible employees of January 29th 2003.”

5. Article 21.6 read as follows:

„6. The manner of operation of the Management Board shall be defined in detail in the rules of procedure adopted by the Management Board and approved by the Supervisory Board. In justified cases, votes may be cast by written ballot or by using means of remote communication, with the minutes of such voting to be approved at the next meeting of the Management Board.”

shall read as follows:

„6. The manner of operation of the Management Board shall be defined in detail in the rules of procedure adopted by the Management Board and approved by the Supervisory Board. Votes may be cast by written ballot or by using means of remote communication, with the minutes of such voting to be approved at the next meeting of the Management Board.”

6. Article 22.2.7 read as follows:

„7. adoption of annual business plans, including investment plans, subject to Article 33.1.6”

shall read as follows:

„7. adoption of business plans, including investment plans, subject to Article 33.1.6”

7. Article 25.2. read as follows:

„2. A member of the Management Board shall be appointed following a qualification procedure carried out pursuant to the Regulation of the Polish Council of Ministers concerning qualification procedures for members of management boards of certain commercial-law

companies of March 18th 2003 (Dz.U. No. 55, item 476, as amended). The Regulation shall not apply to Management Board members elected by employees.”

shall read as follows:

„2. A member of the Management Board shall be appointed following a recruitment and selection procedure. The foregoing shall not apply to Management Board members elected by employees.”

8. 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 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.”

shall read as follows:

„3. A member of the Management Board may resign from his/her position by delivering a statement to that effect to the Company, represented by another Management Board member or a commercial proxy, with copies to the Chairman of the Supervisory Board and the minister competent for matters pertaining to energy. To be valid, such resignation must be submitted in 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.”

9. Article 29.2 read as follows:

„2. The total remuneration of the Management Board member elected by the Company's employees under his or her employment contract and the agreement on services of a Management Board member shall not exceed the amount defined by the body competent to determine the remuneration of Management Board members until the Act on Remuneration of Persons Managing Certain Legal Entities of March 3rd 2000 (Dz. U. No. 26, item 306, as amended) continues in force. The Supervisory Board shall define the rules and amounts of remuneration for Management Board members, unless applicable mandatory provisions of law state otherwise.”

shall read as follows:

„2. The total remuneration of a Management Board member elected by the Company's employees under his or her employment contract and the agreement for serving as a Management Board member shall not exceed the amount defined by the body competent to determine the remuneration of Management Board members in accordance with the applicable law.”

10. Article 33.1.6 read as follows:

„6. approval of annual business plans, including investment plans”

shall read as follows:

„6. approval of business plans, including investment plans”

11. Article 33.2.3 read as follows:

„3. assume other liabilities whose value exceeds 20% of the Company's share capital, except where the liability has been provided for in the plans referred to in Article 33.1.6, approved by the Supervisory Board, or it arises from execution or amendment of an agreement for the provision of gas fuel transmission or distribution services to the Company”

shall read as follows:

„3. assume other liabilities whose value exceeds 20% of the Company's share capital, except where the liability has been provided for in the plans referred to in Article 33.1.6, approved by the Supervisory Board, or agreements for the provision of gas fuel transmission or distribution or change in gas fuel trading services agreements in terms of term validity”

12. Article 33.2.5 read as follows:

„5. execute an agreement referred to in Article 19b of the Act on Commercialisation and Privatisation (Dz. U. of 2002, No. 171, item 1397, as amended)”

shall read as follows:

„5. execute an agreement referred to in Article 19b of the Act on Commercialisation and Privatisation”

13. Article 33.3.5 read as follows:

„5. administration of the qualification procedure referred to in Article 25.2 of these Articles of Association and Article 19a of the Act on Commercialisation and Privatisation (Dz. U. of 2002, No. 171, item 1397, consolidated text, as amended)”

shall read as follows:

„5. conduct of the recruitment and selection procedure referred to in Article 25.2 of these Articles of Association and Article 19a of the Act on Commercialisation and Privatisation”

14. Article 33.6 read as follows:

„6. The Management Board shall submit to the Supervisory Board copies of notifications provided to the Minister of Finance concerning sureties and guarantees issued, in accordance with Article 34 of the Act on Sureties and Guarantees Issued by the State Treasury and Certain Legal Persons of May 8th 1997 (Dz. U. of 2003, No. 174, item 1689, as amended).”

shall read as follows:

„6. The Management Board shall submit to the Supervisory Board copies of notifications provided to the Minister of Finance concerning sureties and guarantees issued, in accordance with Article 34 of the Act on Sureties and Guarantees Issued by the State Treasury and Certain Legal Persons of May 8th 1997”

15. Article 35.4 read as follows:

„4. Members of the Supervisory Board other than members appointed pursuant to Article 36.1 should meet the requirements set forth in the Regulation of the Polish Council of Ministers on training and examinations for candidates to the supervisory boards of companies wholly-owned by the State Treasury of September 7th 2004. (Dz. U. No. 198, item 2038, as amended).”

shall read as follows:

„4. Members of the Supervisory Board other than members appointed pursuant to Article 36.1 should meet the requirements set forth in the Regulation of the Polish Council of Ministers on training and examinations for candidates to the supervisory boards of companies wholly-owned by the State Treasury of September 7th 2004.”

16. 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 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.”

shall read as follows:

„5. A member of the Supervisory Board may resign from his/her position by delivering a statement to that effect to the Company, represented by a Management Board member or a commercial proxy, with copies to the Chairman of the Supervisory Board and the minister competent for matters pertaining to energy. To be valid, such resignation must be submitted in 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.”

17. Article 46.3 read as follows:

„3. Until the Act on Remuneration of Persons Managing Certain Legal Entities of March 3rd 2000 (Dz. U. of 2000, No. 26, item 306, as amended) continues in force, members of the Supervisory Board shall be entitled to monthly remuneration in the amount defined by the General Meeting, subject to the provisions of the said Act.”

shall read as follows:

„3. Until the Act on Remuneration of Persons Managing Certain Legal Entities of March 3rd 2000 continues in force, members of the Supervisory Board shall be entitled to monthly remuneration in the amount defined by the General Meeting, subject to the provisions of the said Act.”

18. After article 47.7, article 47.8 shall read as follows:

„8. If there is a good reason, the Management Board may cancel a General Meeting convened on the Management Board’s initiative.”

19. Article 56.3.2 read as follows:

„2. acquisition of non-current assets, including real property, perpetual usufruct rights to real property or interest in real property, with a value exceeding the złoty equivalent of EUR 2,000,000”

shall read as follows:

„2. acquisition of non-current assets, including real property, perpetual usufruct rights to real property or interest in real property, with a value exceeding the złoty equivalent of EUR 2,000,000”

20. Article 56.8 shall be delated

21. Article 62.5 read as follows:

„5. prepare the consolidated financial statements of the Group and the Directors' Report on the Group's operations within two months from the date prescribed for the preparation of the Company's financial statements, if required under the Accountancy Act of September 29th 1994 (Dz. U. of 2002, No. 76, item 694, as amended)”

shall read as follows:

„5. prepare the consolidated financial statements of the Group and the Directors' Report on the Group's operations within two months from the date prescribed for the preparation of the Company's financial statements, if required under the Accountancy Act of September 29th 1994”

22. Article 64.4 read as follows:

„4. The Company's Management Board shall publish information within the scope and within the time frames provided for in the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, of July 29th 2005 (Dz.U. of 2009, No. 185, item 1439), and in the Regulation of the Minister of Finance 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 of February 19th 2009 (Dz.U. No. 33, item 259, as amended), or any other legislation which may replace the said Act or Regulation.”

shall read as follows:

„4. The Company's Management Board shall disclose information within the scope and time frames provided for in the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, of July 29th 2005, and in the Regulation of the Minister of Finance 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 of February 19th 2009, or any other legislation which may replace the said Act or Regulation”

23. Article 65.6 read as follows:

„6. Whenever a reference is made in these Articles of Association to the value of a non-current asset, including real property, perpetual usufruct rights to real property or interest in real property, such value shall be determined in accordance with the provisions of the Act on Commercialisation and Privatisation of August 30th 1996 (Dz. U. of 2002, No. 171, item 1397, as amended) and the secondary legislation thereto.”

shall read as follows:

„6. Whenever a reference is made in these Articles of Association to the value of a non-current asset, including real property, perpetual usufruct rights to real property or interest in real property, such value shall be determined in accordance with the provisions of the Act on Commercialisation and Privatisation of August 30th 1996 and the secondary legislation thereto”

24. Article 65.7 read as follows:

„7. Whenever a reference is made in these Articles of Association to the Polish Energy Law, the provisions of the Polish Energy Law of April 10th 1997 (consolidated text: Dz.U. of 2012, item 1059) shall apply. ”

shall read as follows:

„7. Whenever a reference is made in these Articles of Association to the Polish Energy Law, the provisions of the Polish Energy Law of April 10th 1997 shall apply”

25. Article 65.8 read as follows:

„8. Whenever a reference is made in these Articles of Association to the Polish Geological and Mining Law, the provisions of the Polish Geological and Mining Law of June 9th 2011 (Dz.U. No. 163, item 981, as amended) shall apply.”

shall read as follows:

„8. Whenever a reference is made in these Articles of Association to the Polish Geological and Mining Law, the provisions of the Polish Geological and Mining Law of June 9th 2011 shall apply.”

26. Article 65.9 read as follows:

„9. Whenever a reference is made in these Articles of Association to a foreign entity, the provisions of the Freedom of Business Activity Act of July 2nd 2004 (Dz.U. of 2010 No. 220, item 1447, as amended) shall apply. ”

shall read as follows:

„9. Whenever a reference is made in these Articles of Association to a foreign entity, the provisions of the Freedom of Business Activity Act of July 2nd 2004 shall apply”

27. Article 65.12 read as follows:

„12. Whenever a reference is made in these Articles of Association to subsidiaries or related companies, they shall be understood as direct subsidiaries or directly related companies within the meaning of the Commercial Companies Code, dated September 15th 2000 (Dz. U. No. 94, item 1037, as amended).”

shall read as follows:

„12. Whenever a reference is made in these Articles of Association to subsidiaries or related companies, they shall be understood as direct subsidiaries or directly related companies within the meaning of the Commercial Companies Code, dated September 15th 2000.”

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).