

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, July 20th 2018

Shareholder submits draft resolution for Annual General Meeting convened for June 29th 2018, and resumed after the adjournment, on July 20th 2018

Current Report No. 40/2018

At the request of the shareholder State Treasury submitted under Art. 401 of the Commercial Companies Code, the Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG", the "Company") publishes the draft of resolution relating to item 10 of the agenda of the PGNiG Annual General Meeting convened for June 29th 2018, and resumed after the adjournment, on July 20th 2018 concerning "Resolution on allocation of the Company's net profit for 2017 and setting the dividend record date and the dividend payment date."

The proposed draft of resolution is in addition to the draft resolutions presented May 29th 2018 in Current Report No. 32/2018.

Legal basis:

Par. 19.1.4 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. 2018, item 757).

Draft

**Resolution No. / 2018
of the General Meeting of
the Company under the business name of
Polskie Górnictwo Naftowe i Gazownictwo SA
of Warsaw
dated 2018**

concerning: allocation of the Company's net profit for 2017

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

Section 1

To allocate the net profit of PGNiG SA for 2017 of PLN 2,034,103,359.30 as follows:

- a) PLN 866,747,228.55 shall be transferred to the Company's statutory reserve funds intended for the expansion and modernization of the national gas distribution network,
- b) PLN 1,167,356,130.75 shall be transferred to the Company's statutory reserve funds.

Section 2

This Resolution shall become effective as of its date.