



## **Annual General Meeting of Polski Koncern Naftowy ORLEN S.A.**

Dear Sir or Madam,

We hereby give notice that an item concerning amendments to the Company's Articles of Association was placed on the agenda of the General Meeting of Polski Koncern Naftowy ORLEN S.A. The proposed amendments concern two areas:

- 1) The planned amendments concern change of the General Meeting's power to grant consent to disposal of property, perpetual usufruct of property, or an interest in property. It is proposed that the Supervisory Board be authorised to grant such consent, irrespective of the transaction value. The proposed further amendments to Art. 7.7 and Art. 8.12.1 of the Company's Articles of Association are made for ease of reference and consist in renumbering the articles and removing the reference to repealed Art. 7.7.8 of the Articles of Association.

The rationale behind the proposed amendments is to improve the decision-making process at the Company. The changing reality, including business environment, requires quicker and more efficient decision making by the Company's governing bodies. If disposal of property is conditional upon the consent of the General Meeting, the process of making a decision about executing a transaction is significantly extended. If the powers to grant consent are vested in the Supervisory Board, the Company will be able to carry out such transactions more efficiently, while the control of the Management Board's decisions concerning the most valuable assets will be maintained.

- 2) In addition, the planned amendments to the Company's Articles of Association are related to the Act of October 16th 2019 Amending the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, Public Companies and Certain Other Acts (Dz.U. of 2019, item 2217). The Act added new provisions in Section 4a concerning remuneration policy and remuneration reports and in Section 4b concerning related-party transactions, which directly affect



the scope of powers of the Company's governing bodies. The proposed amendments consist in expanding, based on the above regulations, the powers of:

- the General Meeting by providing that the powers and responsibilities of the General Meeting include adoption of a policy defining the rules of remuneration for members of the Company's Management Board and Supervisory Board;
- the Supervisory Board by providing that the powers of the Supervisory Board include execution of material transactions with related parties of the Company.

The Company also proposes to remove from the Company's Articles of Association the existing definition of a related party and to amend Art. 8.9a. The proposal follows from the fact that, as regards the definition of a related party, the Act refers to the definition set out in International Accounting Standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

We also propose the adoption of the consolidated text of the Articles of Association incorporating the amendments referred to above.

In view of the foregoing, we hereby submit the relevant draft resolutions of the General Meeting.