Grounds for the resolution on:

merger of the Company and Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna of Warsaw, increase of the Company's share capital and amendment of the Company's Articles of Association

Extraordinary General Meeting
of Polski Koncern Naftowy ORLEN S.A.

Ladies and Gentlemen,

In order to carry out the intention to merge PKN ORLEN S.A. ("PKN") and Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna of Warsaw ("PGNiG") through the acquisition of PGNiG by PKN ORLEN, as envisaged in the PKN and PGNiG Merger Plan of July 29th 2022 (the "Plan"), it is necessary to adopt, in accordance with Art. 506 of the Polish Commercial Companies Code (the "Commercial Companies Code"), a resolution approving the merger, the Plan and the amendments to the Articles of Association of PKN provided for therein (as set out in Appendix 3 to the Plan). At the same time, the proposed amendments to the Articles of Association of PKN should be adopted in accordance with the rules prescribed for such amendments (i.e., in accordance with rules of general application), that is by way of a resolution of the General Meeting on amending the Articles of Association, as in the case of ordinary amendments to the Articles of Association (subject to exceptions resulting from specific provisions of the Commercial Companies Code governing mergers of companies).

Moreover, given that the shares to be granted to PGNiG shareholders are to be, as per the provisions of the Plan, newly issued shares, the merger resolution should also include provisions set out in Art. 432 of the Commercial Companies Code, subject, also in this case, to exceptions resulting from the characteristics of such share capital increase.

Therefore, the Management Board presents a draft resolution containing the following, justified at length below, elements of the resolution on the matter referred to above.

I. Approval of the merger

Pursuant to Art. 506.4 of the Commercial Companies Code, the merger resolution should contain approval of the merger plan and proposed amendments to the articles of association of the acquirer. These requirements are substantially met
by Section 1 of the proposed resolution.

II. Share capital increase

Art. 506.4 of the Commercial Companies Code does not explicitly require that the merger resolution provide for a change in the share capital of the acquiree, but such change is a consequence of the adopted mechanism to apply the ratio of exchange of PGNiG shares for PKN shares in the merger process where all the shares to be exchanged are to come from a new share issue. Therefore, taking into account the provisions of Art. 431 et seq. in conjunction, to the extent possible, with the provisions on mergers of companies (Art. 498 et seq. of the Commercial Companies Code), the merger resolution should also include the provisions referred to in Art. 432.1 of the Commercial Companies Code – which are included in Section 2 of the proposed resolution, but excluding, for obvious reasons, the provisions governing the pre-emptive rights.

The scope of the increase itself (the size of the issue, *sui generis* subscribers, etc.), related to the application of the ratio of exchange, is already described in Sections 3.3. and 5 of the Plan (the Plan uses the term “Exchange Ratio”), and therefore does not need to be elaborated on herein.

As for a public company, such as PKN, Section 3 of the proposed resolution includes a mandate for taking actions aimed at granting the new shares to be received by PGNiG shareholders the status of publicly traded stock.

III. Amendments to the Articles of Association

Although, as mentioned above, Article 506.4 of the Commercial Companies Code stipulates directly only that the merger resolution must include approval of the amendments to the Articles of Association as proposed in the merger plan, such amendments – since PKN is the acquirer – should in principle be adopted by way of a resolution on amending the Articles of Association, and therefore the relevant provisions are set out in Section 4 of the merger resolution. The proposed amendments to the Articles of Association of PKN should generally be divided into three groups:

1) group 1: the necessary – in the light of the circumstances already indicated herein (Section II above) – amendments regarding the share capital and number of shares (amendments to Art. 3 of the Articles of Association of PKN), which is the natural consequence of the provisions of Section 2 of the proposed resolution – this is in line with a standard practice applied by companies for years and, as such, does not require further justification,
2) group 2: the provisions aimed at *sui generis* combination of the respective provisions of the Articles of Association, being a consequence of the merger of the two companies, consisting generally in adding the business objects set out in the Articles of Association of PGNiG and not currently included in the Articles of Association of PKN; provisions concerning Poland’s energy security have also been included – the proposed provisions are intended to ensure that the combined company remains involved in the performance of related tasks, without prejudice to

PKN ORLEN's current practice, considering the still existing differences between the relevant provisions of the Articles of Association of both companies,

3) group 3: the third, and the most numerous, group are provisions that fall into a broad category of special rights (powers) of the State Treasury; in the currently effective Articles of Association of PGNiG such provisions are quite extensive and formulated in a specific way; their description is presented in Section 7 of the Plan; as a result, the provisions proposed in the merger resolution, to be introduced into the Articles of Association of PKN, in particular as regards the requirement to obtain the State Treasury's consent for certain PKN matters (as is currently the case for PGNiG), have been subject to certain adaptations in order to reflect, as far as possible, the specific way in which provisions are formulated (the wording of the provisions) in the Articles of Association of PKN.

Please also note that – in connection with a manifest clerical error – the draft resolution of the Extraordinary General Meeting on the merger of the Company and Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna of Warsaw (National Court Register (KRS) No. 0000059492) ("PGNiG"), increase of the Company's share capital and amendment of its Articles of Association, presented to you together with the materials for this meeting, contains a correction relative to the draft resolution attached as Appendix 1 to the Plan. The correction of the obvious clerical error concerns the provisions of Section 2.5, indicating Section 2.2 as the correct reference. In addition, in the last sentence of Art. 8.12 of the Articles of Association of PKN, proposed to be amended, a redundant repetition of the word "on" has been deleted.

IV. Condition requiring that the control authority raises no objection under the Act on Control of Certain Investments of July 24th 2015 (consolidated text: Dz.U. of 2020, item 2145, as amended)

According to information currently available to the general public (PKN's Current Report No. 47/2022 of August 18th 2022), PKN's shareholder the State Treasury holds 223,414,424 PKN shares, representing 35.66% of PKN's share capital. As a result of applying the exchange ratio (the ratio of exchange of the shares referred to in Section 4 of the Plan) in accordance with Section 5 of the Plan, to PGNiG shares (based on publicly available information the State Treasury holds 4,153,706,157 PGNiG shares, representing 71.88% of PGNiG's share capital), the number of shares which are to be granted to the State Treasury, combined with its existing shareholding in PKN, will lead to exceeding the threshold of 50% of PKN's share capital (subsequent acquisition of the parent status within the meaning of the Act on Control of Certain Investments of July 24th 2015), which means that PKN will be required, in accordance with Art. 5.5 of the said Act, to make a relevant notification. Following such notification, the control authority may initiate proceedings if such acquisition of the parent status were

to take place or may issue a decision refusing to initiate proceedings on grounds that the transaction covered by the notification of subsequent acquisition of the parent status is not subject to the Act, pursuant to the provisions of that Act. If the proceedings are initiated, a lack of objection from the regulatory authority will warrant the assumption that the merger decision has been adopted and the merger may be effectively completed following its registration by the competent registry court.

In view of the above, we hereby submit to you the draft resolution of the Extraordinary General Meeting on the matter specified at the beginning, requesting you to pass the resolution.