

**RESOLUTION No. ...**  
**OF THE EXTRAORDINARY GENERAL MEETING of Grupa LOTOS S.A.**  
**of March 17th 2017**

**concerning: appointment of the Chairperson of the Extraordinary General Meeting**

Acting pursuant to Art. 409.1 of the Commercial Companies Code and Section 5 of the Rules of Procedure for the General Meeting, the General Meeting hereby appoints the Chairperson of the General Meeting.

Section 1

Mr/Ms ... is hereby appointed as the Chairperson of the Extraordinary General Meeting.

Section 2

This Resolution has been passed by secret ballot.

**RESOLUTION No. ...**  
**OF THE EXTRAORDINARY GENERAL MEETING of Grupa LOTOS S.A.**  
**of March 17th 2017**

**concerning: rules for the selection and appointment of members of management and supervisory bodies at companies of the LOTOS Group**

Acting pursuant to Art. 368.5 and Art. 368.1.1 of the Commercial Companies Code and Art. 18, Art. 20 and Art. 23 of the Act on State Property Management, dated December 16th 2016 (Dz.U. of 2016, item 2259, December 30th 2016, the "Act"), the Extraordinary General Meeting of Grupa LOTOS S.A. of Gdańsk ("Company"), in view of the proposal of the Grupa LOTOS S.A. Management Board set out in the Management Board's Resolution No. 16/IX/2017 dated February 13<sup>th</sup> 2017 and favourable opinion of the Supervisory Board of Grupa LOTOS S.A. expressed in the Supervisory Board's Resolution No. 167/IX/2017 dated February 15<sup>th</sup> 2017, the Extraordinary General Meeting resolves as follows:

Section 1

1. The General Meeting approves the adoption of the following rules for the selection and appointment of members of management and supervisory bodies at companies of the LOTOS Group.
  - a) Members of management bodies at companies of the LOTOS Group shall be appointed by a supervisory body after completion of a recruitment process, the purpose of which is to check and evaluate candidates' qualifications and to select the best candidate for member of a management body. As a rule, members of management bodies at companies of the LOTOS Group shall be removed by a supervisory body.
  - b) Detailed rules of the recruitment process to select members of the Grupa LOTOS S.A. Management Board shall each time be determined by a resolution of the Supervisory Board.
  - c) Rules governing the recruitment process to select members of management bodies of companies for which Grupa LOTOS S.A. is a parent company within the meaning of Art. 4.3 of the Act on Competition and Consumer Protection, dated February 16th 2007 ("subsidiaries") shall be determined by a resolution of the Grupa LOTOS S.A. Management Board.
  - d) Detailed rules of the recruitment process to select members of management bodies of Grupa LOTOS S.A.'s subsidiaries shall each time be determined by a resolution of the supervisory body of the subsidiary, compliant with the resolution of the Management Board of Grupa LOTOS S.A. referred to in c) above.
  - e) Members of management bodies of companies of the LOTOS Group must meet the requirements set out in Art. 22 of the Act on State Property Management of December 16th 2016 (Dz.U. of 2016, item 2259, December 30th 2016, the "Act"), subject to Art. 111 of the Act of December 16th 2016 – Provisions Implementing the Act on State Property Management (Dz.U. of 2016, item 2260, December 30th 2016).
  - f) Members of supervisory bodies of subsidiaries must meet the requirements set out in Art. 19.1.5. of the Act, subject to Art. 111 of the Act of December 16th 2016 – Provisions Implementing the Act on State Property Management (Dz.U. of 2016, item 2260, December 30th 2016).
2. Steps necessary to adopt amendments introducing the above rules to the articles and memoranda of association or deeds of incorporation of subsidiaries should be taken by June 30th 2017.

Section 2

This Resolution shall come into effect as of its date.

**RESOLUTION No. ...**  
**OF THE EXTRAORDINARY GENERAL MEETING of Grupa LOTOS S.A.**  
**of March 17th 2017**

**concerning: amendment to the Articles of Association of Grupa LOTOS S.A.**

Acting pursuant to Art. 430.1 of the Commercial Companies Code and pursuant to Art. 9.10 of the Company's Articles of Association, the Extraordinary General Meeting of Grupa LOTOS S.A. of Gdańsk ("Company") resolves as follows:

Section 1

The Extraordinary General Meeting resolves to introduce the following amendments to the Articles of Association of Grupa LOTOS S.A.:

**1. The existing Art. 9 shall be amended to read as follows:**

"Art. 9

Powers of the General Meeting

Powers of the General Meeting shall include in particular:

1. Review and approval of the Company's full-year financial statements, Directors' Report on the Company's operations, Group's consolidated financial statements, and Directors' Report on the Group's operations, for the previous financial year;
2. Grant of discharge to members of the Management Board and the Supervisory Board in respect of performance of their duties;
3. Decision on the allocation of profit or coverage of loss, as well as application of funds created from profit, subject to any special provisions which might provide for a different procedure for application of such funds;
4. Appointment and removal of Supervisory Board members;
5. Increase in or reduction of the Company's share capital;
6. Decisions concerning claims for redress of any damage caused upon formation of the Company or when managing or supervising the Company;
7. Sale or lease of the Company's business or its organised part, or creation of any limited property rights therein,
8. Approval of acquisition of real property, right of perpetual usufruct or interest in real property with a value exceeding PLN 5,000,000, determined based on appraiser valuation; as well as approval of disposal of real property, right of perpetual usufruct or interest in real property with a value exceeding PLN 200,000, determined based on appraiser valuation;
9. Approval of encumbrance and disposal of shares in LOTOS Petrobaltic S.A. and Przedsiębiorstwo Przeladunku Paliw Płynnych Naftoport Sp. z o.o.,
10. Approval of disposal of shares in another company if the value of such shares exceeds:
  - a) PLN 100,000,000 or
  - b) 10% of total assets within the meaning of the Accountancy Act of September 29th 1994, determined based on the most recent approved financial statements.
11. Subject to Art. 9.8, disposal of non-current assets within the meaning of the Accountancy Act of September 29th 1994 (Dz.U. of 2016, items 1047 and 2255), classified as intangible assets, property, plant and equipment or non-current investments, including contribution

thereof to a company or cooperative, if the market value of such assets exceeds 5% of total assets within the meaning of the Accountancy Act of September 29th 1994, determined based on the most recent approved financial statements, as well as granting to another entity the right to use such assets for a period longer than 180 days in a calendar year, under a legal transaction, if the market value of the subject matter of such legal transaction exceeds 5% of total assets, with the proviso that in the event of granting the right to use under:

- a) lease, rental or other agreements for granting to another entity the right to use an asset against consideration – the market value of the subject matter of a legal transaction shall be understood as the value of consideration for:
    - one year – if the right to use an asset was granted under an agreement concluded for an indefinite term,
    - the entire term of the agreement – if the right to use an asset was granted under an agreement concluded for a definite term;
  - b) commodate or other agreements for granting to another entity the right to use an asset free of charge – the market value of the subject matter of a legal transaction shall be the amount of consideration which would have been payable to the Company if a lease or rental agreement had been concluded, for:
    - one year – if the right to use an asset was granted under an agreement concluded for an indefinite term,
    - the entire term of the agreement – if the right to use an asset was granted under an agreement concluded for a definite term;
12. Subject to Art. 9.8, acquisition of non-current assets within the meaning of the Accountancy Act of September 29th 1994, with a value exceeding:
- a) PLN 100,000,000 or
  - b) 5% of total assets within the meaning of the Accountancy Act of September 29th 1994, determined based on the most recent approved financial statements;
13. Acquisition of or subscription for shares in another company if the value of such shares exceeds:
- a) PLN 100,000,000 or
  - b) 10% of total assets within the meaning of the Accountancy Act of September 29th 1994, determined based on the most recent approved financial statements;
14. Amendment of the Company's Articles of Association;
15. Creation and release of special accounts, including capital reserves;
16. Decisions on cancellation of Company shares and buy-back of shares for cancellation, and definition of terms for their cancellation;
17. Issue of notes and bonds;
18. Dissolution, liquidation or transformation of the Company, or its merger with another entity;
19. Issue of subscription warrants;
20. Approval of buy-back of Company shares (own shares) and creation of a pledge over Company shares in the event specified in Art. 362.1.2 of the Commercial Companies Code;
21. Approval of the implementation of incentive schemes;
22. Approval of payment of interim dividends if the Supervisory Board has not approved it;
23. Determination of rules of remuneration for members of the Management and Supervisory Boards.”.

**2. The existing Art. 11 shall be amended to read as follows:**

“Art. 11  
Supervisory Board

1. The Supervisory Board shall comprise five to nine members, including the Chairperson, Deputy Chairperson and Secretary.
2. Members of the Supervisory Board shall be appointed and removed from office by the General Meeting. Notwithstanding the foregoing, as long as the State Treasury remains a Company shareholder, the State Treasury, represented by the minister competent for energy, shall be authorised to appoint and remove one member of the Supervisory Board.
3. Members of the Supervisory Board nominated by the State Treasury should meet the requirements laid down in the Act on State Property Management of December 30th 2016 (Dz.U. of 2016, No. 2259).
4. Supervisory Board members shall be appointed for a joint term of three years. Any or all Supervisory Board members may be removed at any time prior to expiry of their term of office.
5. The Chairperson of the Supervisory Board shall be appointed by the General Meeting. The Deputy Chairperson and the Secretary shall be elected by the Supervisory Board from among other Supervisory Board members.
6. The Supervisory Board elected by block voting shall consist of five members.”.

**3. The existing Art. 13 shall be amended to read as follows:**

“Art. 13  
Powers of the Supervisory Board

1. The Supervisory Board shall adopt its Rules of Procedure, defining its organisation and operating procedures.
2. The Supervisory Board shall exercise ongoing supervision of the Company's operations. Powers of the Supervisory Board shall also include:
  - 1) appointing and removing the President, Vice Presidents and other members of the Company's Management Board,
  - 2) suspending, for a good reason, any or all Management Board members from their duties, as well as delegating its member(s) to temporarily stand in for Management Board members who are unable to perform their duties,
  - 3) approving the Rules of Procedure for the Management Board,
  - 4) choosing an auditor to audit the Company's and the Group's financial statements, in compliance with the provisions of the Accountancy Act,
  - 5) assessing the Company's financial statements in terms of their consistency with the accounting records and documents, as well as with facts; assessing the Directors' Report on the Company's operations and the Management Board's proposals as to the allocation of profit or coverage of loss, and submitting written reports on the findings of such assessments to the General Meeting,
  - 6) giving opinions on all matters to be submitted for consideration to a General Meeting, whether annual or extraordinary,
  - 7) granting approval to members of the Management Board to serve, and receive remuneration for serving, on supervisory or management bodies of other entities,

- 8) granting consent for implementation of an investment project and for assuming related liabilities if these involve expenditure or charges exceeding the equivalent of a half of the Company's share capital;
  - 9) defining the scope and required level of detail of annual budgets and long-term strategies, as well as dates for their submission by the Management Board,
  - 10) approving strategies for Grupa LOTOS S.A. and the LOTOS Group,
  - 11) giving opinions on annual budgets,
  - 12) giving opinions on reports concerning entertainment expenses, legal costs, marketing costs, public relations and social communication expenses, and management consultancy fees,
  - 13) representing the Company in agreements or contracts entered into with, as well as in any disputes with, Management Board members,
  - 14) adoption of rules for the management of special accounts.
3. The Management Board shall seek the Supervisory Board's approval for the following actions:
- 1) setting up a foreign establishment within the meaning of the double-tax treaties to which the Republic of Poland is a party,
  - 2) disposal of any property, plant and equipment whose value exceeds PLN 200,000 but does not exceed 5% of total assets within the meaning of the Accountancy Act of September 29th 1994, as determined based on the most recent approved financial statements,
  - 3) assumption of any other liability or disposal of an asset whose value – under a single transaction or a series of related legal transactions, other than transactions performed in the ordinary course of business, exceeds the equivalent of a half of the Company's share capital, unless the power to approve such transactions has been assigned to the General Meeting,
  - 4) any foreign equity investments made by the Company if the value of such investments does not exceed PLN 100,000,000 or 10% of total assets within the meaning of the Accountancy Act of September 29th 1994, as determined based on the most recent approved financial statements, as well as any investments in property, plant and equipment,
  - 5) exercise by the Company of its voting rights at general meetings of all subsidiaries or other companies if the value of shares held by the Company, measured at the acquisition or subscription price, exceeds one-fifth of the Company's share capital, where the vote relates to:
    - a) allocation of profit or coverage of loss,
    - b) share capital increase or reduction,
    - c) mergers with other companies or company transformations,
    - d) sale or lease of the company's business or its encumbrance with usufruct rights,
    - e) amending the company's articles of association,
  - 6) formation of commercial-law companies or joining other companies, contributions to be made to pay for shares in companies, and disposals of shares, if the Company's existing equity interest held in a given company, or interest to be held by the Company following the acquisition of or subscription for the shares, measured at the acquisition or subscription price, does not exceed PLN 100,000,000 or 10% of total

assets within the meaning of the Accountancy Act of September 29th 1994, as determined based on the most recent approved financial statements,

- 7) acquisition of real property, right of perpetual usufruct or interest in real property with a value not exceeding PLN 5,000,000, determined based on appraiser valuation, as well as disposal of real property, right of perpetual usufruct or interest in real property with a value not exceeding PLN 200,000, determined based on appraiser valuation,
  - 8) payment of interim dividends,
  - 9) entering into any agreement for the provision of legal services, marketing services, public relations and social communication services, or management consultancy services, if the total remuneration for the services to be provided under such agreement exceeds PLN 500,000, VAT exclusive, per year,
  - 10) any amendments to an agreement for the provision of legal services, marketing services, public relations or other social communication services, or management consultancy services, which would increase the remuneration under the agreement above the amount referred to in item 9,
  - 11) entering into any agreement for the provision of legal services, marketing services, public relations or other social communication services, or management consultancy services, where no maximum remuneration is specified,
  - 12) execution of a donation agreement, or any other agreement having a similar effect, with a value exceeding PLN 20,000 or 0.1% of total assets within the meaning of the Accountancy Act of September 29th 1994, as determined based on the most recent approved financial statements,
  - 13) execution of an agreement on release from debt, or any other agreement having a similar effect, with a value exceeding PLN 50,000 or 0.1% of total assets within the meaning of the Accountancy Act of September 29th 1994, as determined based on the most recent approved financial statements,
4. From among its members, the Supervisory Board shall appoint an Audit Committee and may also appoint other Committees, whose remits, organisation of work, and rules of procedure shall be defined by the Rules of Procedure for the Supervisory Board and rules of procedure determined separately for each such Committee. Such Committees' rules of procedure as well as any amendments thereto shall become effective once approved by the Supervisory Board.”.

**4. The existing Art. 14 shall be amended to read as follows:**

“Art. 14

Management Board

1. The Management Board shall consist of three to seven members, including the President and Vice Presidents of the Management Board.
2. The President, Vice Presidents and other members of the Management Board shall be appointed by the Supervisory Board following a recruitment procedure.
3. Members of the Management Board should meet the requirements laid down in the Act on State Property Management of December 30th 2016 (Dz.U. of 2016, No. 2259).
4. Management Board members shall be appointed for a joint term of three years. The President, Vice Presidents and other members of the Management Board, as well as the entire Management Board, may at any time be removed from office or suspended from duties by the Supervisory Board if there is a good reason for doing so.
5. Supervisory Board resolutions to appoint or remove any or all members of the Management Board shall require that at least two-thirds of Supervisory Board members are present and voting.

6. A Management Board member's mandate shall also expire upon their resignation from office. Resignation by a Management Board member shall be submitted no later than fourteen days before the expiry date of the mandate, specified in the resignation as the date when the resignation becomes effective."

**5. The existing Art. 16 shall be amended to read as follows:**

"Art. 16

Powers and operation of the Management Board

1. The Management Board shall adopt organisational rules for the Company's business.
2. The Management Board shall adopt Rules of Procedure for the Management Board, specifying in detail the organisation of the Management Board and the procedures to be followed by the Management Board in conducting the Company's affairs; the Rules of Procedure and any amendments thereto shall become effective upon approval by the Supervisory Board.
3. Any matters falling outside the scope of ordinary management, as well as matters specified in the Rules of Procedure for the Management Board, matters which – according to the Articles of Association or applicable laws – should be considered by the Supervisory Board or the General Meeting, and matters which have been objected to by at least one member of the Management Board, shall require a resolution by the Management Board.
4. In conducting the Company's affairs, the Management Board shall be subject to limitations imposed by law, the Company's Articles of Association, and resolutions of the General Meeting.
5. The Management Board shall prepare and adopt annual budgets and long-term strategies, whose form, scope and submission dates shall be defined by the Supervisory Board.
6. The Management Board shall prepare and submit to the General Meeting:
  - 1) the Company's financial statements for the previous financial year and the Directors' Report on the Company's operations in the previous financial year,
  - 2) the Group's consolidated financial statements for the previous financial year and the Directors' Report on the Group's operations in the previous financial year,
  - 3) report on entertainment expenses, legal costs, marketing costs, public relations and social communication expenses, and management fees.
7. A delegated representative of the Supervisory Board shall enter into agreements with the President, Vice Presidents and other members of the Management Board in accordance with the rules defined in resolutions of the Supervisory Board or the General Meeting. Any other legal transactions between the Company and members of its Management Board shall be executed in accordance with the same procedure."

**6. The existing Art. 17 shall be amended to read as follows:**

"Art. 17

Non-current asset disposals

1. Any disposal of non-current assets, as defined in the Accountancy Act of September 29th 1994, with a value exceeding 0.1% of total assets calculated on the basis of the most recent approved financial statements, must be effected by the Company through an auction, unless the value of an asset is equal to or lower than PLN 20,000.
2. The Company may sell non-current assets outside of an auction if:
  - 1) the relevant agreement provides for sale of shares or other non-current financial assets, licences, patents or other industrial property rights or know-how, provided



that the General Meeting has specified, by way of a resolution, a procedure and terms for the sale other than a public auction,

- 2) the sale is effected as part of liquidation proceedings, on terms specified by the General Meeting in a resolution,
- 3) the assets for sale are residential units owned by the Company, and they are sold for a price equal to or higher than 50% of their market value to the tenant or a person permanently cohabiting with the tenant, as defined in Art. 4.13 of the Property Management Act of August 21st 1997 (Dz.U. of 2004 No. 261, item 2603, as amended); the price calculations must take into account that the residential units for sale are occupied; the value of tenant improvements must be applied towards the purchase price, or
- 4) they are sold at the Management Board's reasonable request, which received a favourable opinion from the Supervisory Board, for a price and on terms determined by the General Meeting in a resolution."

**7. The existing Art. 18 shall be amended to read as follows:**

"Art. 18

Non-current assets disposal procedure

1. An auction must be announced in the Public Information Bulletin on the Energy Ministry's website, on the Company's website, in a public area of the Company's registered office where such announcement is clearly visible, and in other places customarily used for posting announcements.
2. The auction shall not be held earlier than 14 days after its announcement.
3. The following persons may not participate in the auction as bidders:
  - 1) members of the Company's Management and Supervisory Boards,
  - 2) business entity conducting the auction and members of its management and supervisory boards,
  - 3) persons responsible for handling the auction process,
  - 4) spouses, children, parents and siblings of persons referred to in items 1-3, and
  - 5) persons whose legal or factual relationship with the entity conducting the auction which may raise reasonable doubts as to its impartiality.
4. As a condition for participating in the auction, bidders must pay a deposit equal to 5% or more of the asking price for the non-current asset offered for sale. The rules referred to in Art. 18.8 may provide for a higher deposit.
5. Prior to the auction, the Company shall determine the asking price, which must not be lower than the market price established by expert appraisers; if the market value cannot be established, the price of the asset may not be lower than its net carrying amount.
6. The Company may elect not to have a non-current asset intended for sale valued by an expert appraiser if:
  - 1) the appraisal costs would clearly exceed the asset's market value
  - 2) the asset's market value has already been established.
7. The auction shall be conducted by:
  - 1) oral bidding,
  - 2) written bidding.

8. Rules defining the terms and procedures for conducting the auction, the text of the announcement, the bidding method, and the auction terms shall be determined by the Company.
9. The auction organiser may close the auction without selecting a winning bid and without specifying the reason.
10. The bidder who offers the highest price shall win the auction.”

**8. Article 19 shall be added, reading as follows:**

“Art. 19

Duration and financial year

1. The Company has been established for an indefinite period of time.
2. The Company’s financial year shall be the calendar year”.

**Article 20 shall be added, reading as follows:**

“Art. 20

Other provisions

1. The Company’s announcements required by law or its Articles of Association shall be published in the *Monitor Sądowy i Gospodarczy* official gazette, unless generally applicable laws provide otherwise.
2. All companies having the Company as their parent undertaking, within the meaning of Art. 4.3 of the Competition and Consumer Protection Act of February 16th 2007, should comply with the requirements set out in Art. 9.10– 13 and Art. 14.2 hereof.
3. Members of the supervisory bodies of companies having the Company as their parent undertaking, within the meaning of Art. 4.3 of the Competition and Consumer Protection Act of February 16th 2007, should comply with the requirements set out in Art. 19.1–5 of the Act on State Property Management of December 30th 2016.
4. Members of the management boards of companies having the Company as their parent undertaking, within the meaning of Art. 4.3 of the Competition and Consumer Protection Act of February 16th 2007, should comply with the requirements set out in Art. 22 of the Act on State Property Management of December 30th 2016.
5. As used in these Articles of Association, the term “group” shall mean a group as defined in the accountancy law.
6. Unless the wording, implied meaning or purpose of individual provisions of these Articles of Association requires otherwise:
  - 1) the capitalised term “Company” shall refer to Grupa LOTOS Spółka Akcyjna,
  - 2) the capitalised term “Articles of Association” shall refer to these Articles of Association of Grupa LOTOS S.A.,
  - 3) the term “person” used in Art. 10.6 shall mean a natural person, a legal person or an unincorporated organisation.”

Section 2

This Resolution shall become effective upon registration of the amendment by the court.

**RESOLUTION No. ...  
OF THE EXTRAORDINARY GENERAL MEETING of Grupa LOTOS S.A.  
of March 17th 2017**

**concerning: authorisation for the Supervisory Board to prepare a consolidated  
text of the amended Articles of Association**

Acting pursuant to Art. 430.5 of the Commercial Companies Code, the General Meeting of Grupa LOTOS S.A. resolves as follows:

Section 1

In connection with Resolution No. ... on an amendment to the Company's Articles of Association, passed by the General Meeting of Grupa LOTOS S.A. on March 17th 2017, the General Meeting hereby authorises the Supervisory Board of Grupa LOTOS S.A. to prepare a consolidated text of the Company's Articles of Association incorporating the amendment introduced by the above-mentioned resolution.

Section 2

This Resolution shall come into effect as of its date.

**RESOLUTION No. ...  
OF THE EXTRAORDINARY GENERAL MEETING of Grupa LOTOS S.A.  
of March 17th 2017**

**concerning: amendment to Resolution No. 2 of the Extraordinary General Meeting, dated December 22nd 2016**

Acting pursuant to Art. 2.2.1, Art. 4, Art. 5, Art. 6, Art. 7, and Art. 8 of the Act on Rules of Remunerating Persons Who Manage Certain Companies, dated June 9th 2016 (Dz.U. of 2016, item 1202), the Extraordinary General Meeting of Grupa LOTOS S.A. of Gdańsk ("Company") hereby resolves as follows:

**Section 1**

Section 3.2 of Resolution No. 2 of the Extraordinary General Meeting, dated December 22nd 2016, shall be amended to read as follows:

"2. The following additional Management Objectives, to be achieved by December 31st 2017, shall also apply:

- a) implementation of the remuneration rules compliant with the Act for members of the management and supervisory boards of all Group companies,
- b) ensuring that supervisory boards of all Group companies consist of members holding appropriate qualifications to sit on supervisory boards, as confirmed by the results of an examination for candidates to supervisory boards, or holding relevant qualifications that statutorily exempt them from the requirement to take such examination, i.e. holding a PhD degree in economics or law, or being officially registered as a legal counsel, attorney-at-law, qualified auditor or investment adviser."

**Section 2**

This Resolution shall come into effect as of its date.